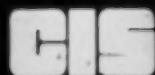


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**THREE ASIAN COUNTRIES IN CRISIS:
AFGHANISTAN, VIETNAM, AND THE PHILIPPINES**

HEARING
BEFORE THE
SELECT COMMITTEE ON HUNGER
HOUSE OF REPRESENTATIVES
ONE HUNDREDTH CONGRESS
SECOND SESSION

HEARING HELD IN WASHINGTON, DC, JUNE 16, 1988

Serial No. 100-27

Printed for the use of the Select Committee on Hunger



U.S. GOVERNMENT PRINTING OFFICE

88-723

WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
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(II)

*Effective July 13, 1987.

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THREE ASIAN COUNTRIES IN CRISIS: AFGHANISTAN, VIETNAM, AND THE PHILIPPINES

THURSDAY, JUNE 16, 1988

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON HUNGER,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2359A, Rayburn House Office Building, Hon. Mickey Leland [chairman of the committee] presiding.

Members present: Representatives Carr, Penny, Ackerman, Flake, Staggers, Emerson, Gilman, and Herger.

Also present: Representative Sensenbrenner and Senator Presler.

OPENING STATEMENT OF HON. MICKEY LELAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman LELAND. The committee will come to order.

Good morning. I would like to welcome you to today's hearing on three Asian countries, Afghanistan, Vietnam, and the Philippines, which are faced with immediate humanitarian crises.

The Select Committee on Hunger has long been interested in development in Asia, and we have been intensely involved in programs which have had a significant impact on Asia, from vitamin A and basic education to the child survival and micro-enterprise credit initiatives. We are taking a look at Asia today because there are three countries facing immediate and very substantial humanitarian problems. In each case, the U.S. Government's response could be crucial in determining how these crises will be resolved. In Afghanistan, millions of refugees and displaced persons are preparing to come home as the Soviet troops pull out. It is expected that approximately 8 million Afghan civilians will be moving home in the next several months, the largest migration of people since the partition of India in 1947. These people will need food to keep them alive and tools, seeds, animals and other aid to help them rebuild their country. The United Nations has issued an appeal for over \$1 billion over the next eighteen months for the resettlement program, and this week President Reagan announced that he was supportive of the appeal. In today's hearing, we will discuss the resettlement program and the preparations being made for a U.S. Government response.

In Vietnam, a crop failure resulting from natural calamities and economic mismanagement has created serious food shortages in the north of the country. The Vietnamese Government has declared

that seven million people are facing food shortages, and three million are potentially on the brink of starvation. With continued poor harvests projected and a seriously malnourished population in the north, the food situation is expected to deteriorate further by September.

International response to the emergency has been tepid. The U.S. Government is restricted in many ways from providing assistance, but channels do exist through which aid could be sent. We will take a look at the restrictions today and determine what steps must taken to enable the U.S. Government to respond appropriately.

The crisis in the Philippines is more long-term and chronic in nature, but it is equally serious. While prosperity is transforming the nations of Southeast Asia, gradually lifting millions of people out of poverty, the situation in the Philippines looks increasingly bleak. Sixty percent of the country's people live in poverty. It is estimated that 70 percent of the 22 million Filipino children below the age of seventeen are malnourished. However, U.S. food, development, and economic aid to the Philippines has declined for the past two years, down from \$350 million in 1987 to a projected \$152 million in 1989. At the same time, the Administration has been discussing up to \$10 billion in multilateral support for the Philippines over the next five years. Today we will focus on the continuing underdevelopment of the Philippines and how effectively U.S. assistance is addressing this problem.

I hope that today's hearing will shed some light on these difficult situations and will indicate ways in which the U.S. can respond in a timely and effective manner to the humanitarian crisis in each country. I look forward to the testimony and the discussion. Let me ask the gentleman from West Virginia if he has an opening statement?

Mr. STAGGERS. I do not, Mr. Chairman.

Chairman LELAND. We are waiting for Senator Larry Pressler, who will be testifying this morning. I understand that my colleague Mr. Sensenbrenner is here. The gentleman from Wisconsin is invited to present his testimony if he so chooses.

STATEMENT OF HON. F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. SENSENBRENNER. Thank you, Mr. Chairman.

Many of my colleagues in both houses of Congress have begun to intensify the call for normalization of relations with our old nemesis: Vietnam. Known as the Socialist Republic of Vietnam since the fall of Southeast Asia to the Communists, they have actively pursued economic relations with the United States for 13 years. In one way or another, Communist Vietnam has sought to establish an economic relationship with us, first, to rebuild their war-torn cities and now to fill the gaps created by their failed socialist economy.

There is no doubt that Vietnam is experiencing a decline in food production, a continually growing population, drought conditions, and the maintenance of an 180,000 man occupation army in Cambodia with another 40,000 soldiers in Laos. However, there should also be no doubt that the Vietnamese Government oppresses work-

ers, destroys personal incentive, prohibits private ownership of land, grossly mismanages the economy, and supports an invading army. They are faced with an economic crisis of their own making.

With thousands of acres of rice paddies, Vietnam was once known as the "Bread Basket" of the Far East. Today Communist Vietnam cannot feed its own people. They need the economies of the west, especially the United States, to bail them out. That is their only goal in establishing relations with us. However, our goal must be different.

Since the end of our participation in the Vietnam War, the issue of Americans listed as missing and unaccounted for in Southeast Asia has remained with us. Despite the best efforts and impassioned petitions of Americans, ranging from special presidential emissary General John Vessey, to MIA/POW and Veterans organizations across the country, the Communist Government in Hanoi has arrogantly resisted resolving this issue once and for all. While some of us may want to renew ties with Vietnam and extend economic assistance, we must not lose sight of our goal to obtain a full accounting of American MIA's in Southeast Asia.

Mr. Chairman, that is precisely why on May 26, 1988, I introduced a Sense of Congress Resolution, H. Res. 462, which would prohibit any economic assistance to Communist Vietnam. To extend any type of economic assistance to Vietnam at this time, including emergency agricultural or drought assistance, would be a complete mistake. Mr. Chairman, the MIA issue must be settled first before agreements are drawn for broader political discussions.

Some of my colleagues talk about "cooperation" and "prompt response" to the situation in Vietnam. I ask you, "Have they shown us any? Have they cooperated with, shown compassion for, or to the grieving wives, children, and friends of those servicemen still listed as missing?"

My colleagues also speak about the overtures and assurances made by the Communists during Congressional visits to Hanoi. They have consistently implied that they would assist our efforts to gain the fullest accounting of American MIA's if food assistance was to be forwarded to Vietnam. Mr. Chairman, I do not believe they have given the United States any reason for trust. Did they keep their word during the Paris Peace Talks with Henry Kissinger not to invade South Vietnam? President Nixon had suggested in a letter to the Congress in 1971, a 5-year, \$7.5 billion assistance program to Indochina, with \$2.5 billion specifically earmarked for post-war reconstruction in North Vietnam. North Vietnam broke its word about invading the South, and we responded by halting the \$2.5 billion in aid. So far, there is no reason to believe that they would keep their word on human rights, Cambodia, Amerasian children, boat people, MIA's, POW's or anything else.

Mr. Chairman, in many cases it is clearly evident that the remains of American servicemen eventually returned to the United States had been located and held for years. The Communist Government in Vietnam would have us believe they occasionally stumble upon downed aircraft or discover remains in other ways. However, it is widely believed that hundreds of remains have been stockpiled in warehouses around Hanoi. Some of those remains could possibly be from American prisoners of war who died in cap-

tivity. I simply want to recover those remains that the Communist Vietnamese have located and deny them the opportunity to indefinitely draw out this issue.

I do not want to see a situation develop wherein the Communists begin to barter with the remains of Americans who served freedom and made the ultimate sacrifice. It is not difficult to imagine a scenario when ten years from now several dozen remains just happen to be "found" as we enter into delicate trade negotiations with the Vietnamese.

Understanding the dynamics of warfare, I know it is impossible to locate some of these MIA's, and that it is quite possible that some remains will be located in the future. The families of the MIA's know this as well. Though all of them continue to hope, most are ready to except the inevitable. However, they consider this to be a humanitarian issue, not a political issue.

Ann Mills Griffiths, the executive director of the National League of the Families of American Prisoners and Missing in Southeast Asia, recently wrote to me extending her appreciation "for recognizing the potential damage of such linkage." Linkage sends the wrong message. We must insist that this is a moral issue, one about burying our own dead, and we must deal with it above and outside of any other negotiations which may be taking place. Mrs. Griffiths went on to say,

That there are, unfortunately, numerous conflicting signals emanating from the Congress at a time when serious efforts are being made * * *. It is our hope that Vietnam will increasingly recognize that their own interests are best served by moving quickly and fully to resolve this issue, thereby pre-positioning themselves for the future consideration of improved relations once the political obstacles are removed.

In conclusion, I would like to remind the committee that we have helped the Vietnamese for years. We have assisted them economically and politically. We fought alongside them in the effort to maintain democracy and an economic system which would have precluded the crisis they are now experiencing. We have made many such efforts throughout the world and there should be no doubt we are a generous and compassionate people. Today we continue to assist the Vietnamese by giving refuge to the thousands who are fleeing communism.

My resolution asks only that we resolve the MIA issue which has grieved us for years before we consider any further aid to another oppressive and unsuccessful Marxist government.

For the record, I am furnishing a copy of H. Res. 462 and a copy of the letter of Ann Mills Griffiths of the National League of Families of American Prisoners and Missing in Southeast Asia, dated June 3, 1988.

[The prepared statement of Mr. Sensenbrenner appears at the conclusion of the hearing, see p. 45.]

Chairman LELAND. Without objection all extraneous materials to the statement of the gentleman from Wisconsin will be included in the record.

I thank the gentleman for his statement and would like to ask one question.

We had something of a similar situation in 1984 in terms of the lack of formal relations with the Government of Ethiopia. Literally

millions of people were on the brink of starvation and we determined that we would not yield any aid to the Government of Ethiopia itself, but that we would meet the humanitarian interests of the people of Ethiopia through the efforts of some of our non-profit private voluntary organizations, such as Catholic Relief Services, World Vision, and others. Does the gentleman suggest that we should not try to develop any means by which we could go around the Government of Vietnam to help the people who are suffering so much?

Mr. SENSENBRENNER. Mr. Chairman, this situation is clearly different. The Government of Ethiopia never fought a war with us, there were never any prisoners of war, and there were never any American servicemen missing-in-action in Ethiopia. I doubt that the Government of Vietnam will allow our voluntary agencies the free reign to be inside of their country to do humanitarian work like the Government of Ethiopia has allowed voluntary agencies to do.

I think that the point is quite simple. Since the end of the war in Vietnam, the Vietnamese Government had been trying to establish some kind of relationship with us, particularly whereby we would provide them with foodstuffs. They have violated practically every agreement and understanding that they made, including the Paris Peace Accords, for which Henry Kissinger and Le Duc Tho won the Noble Peace Prize. They have broken their word to the world on several occasions, and very frankly, I think that until they clean up the loose ends of accounting for those who were listed as missing-in-action, which was supposed to be done when we pulled out our troops in 1973, we should not accommodate them. This is an issue that has been on the table for 15 years. It is time to resolve it as quickly as possible by whatever means can be used.

Chairman LELAND. I understand.

The gentleman from West Virginia.

OPENING STATEMENT OF HON. HARLEY O. STAGGERS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

Mr. STAGGERS. Thank you, Mr. Chairman.

The gentleman from Wisconsin and I do not always agree, but I have to congratulate you because I think that this is a very important issue. I congratulate you for bringing this issue to the attention of the Congress with your Sense of Congress Resolution and by your appearance here at this committee today.

I am also pleased to hear the remark about understanding "the dynamics of warfare—that it is impossible to locate all MIA's." I think that the worst thing we can do as leaders is to hold out complete false hope to people. We have to face realities in the MIA issue.

In listening to your statement, this one question comes to mind. If we can not trust the Vietnamese Government, then how do we resolve the MIA issue? You have said that you don't want a link, but it seems to me that if we give them aid, that is something of a linkage anyway.

Mr. SENSENBRENNER. My fear is if they get our aid they will continue to drag out this matter of the MIA's in order to get more aid. This seems to be the thrust they have taken in the last 15 years and I think there must be an accounting so we can clear the decks as best we can. The only way, Mr. Staggers, that the false hopes in the hearts of many of the families and friends of the MIA's can be extinguished is through a full accounting.

Mr. STAGGERS. How do we get that? If we link up, don't we get some progress?

Mr. SENSENBRENNER. I don't believe so, and I don't think that there should be linkage. It seems to me we should tell the Vietnamese Government if they want food aid, then they should know that we are not going to talk about broader political issues until the MIA issue is resolved.

Mr. STAGGERS. I thought that was what you meant by linkage.

Mr. SENSENBRENNER. In the definition of the jargon of the day, linkage is a simultaneous quid pro quo which we tried in 1973. It didn't work then and we have made some attempts since 1973 that didn't work, and there isn't anything that would lead us to believe that this kind of a linkage would work today, given the track-record of the Vietnamese on this issue. I would hope a message from Congress would bring this matter to a head and we would get a full accounting. Then we could discuss other issues with the Government of Vietnam.

Mr. STAGGERS. Thank you.

Chairman LELAND. The gentleman from Missouri.

OPENING STATEMENT OF HON. BILL EMERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. EMERSON. Thank you Mr. Chairman.

Jim, I apologize for my tardiness this morning. I am very interested in what you had to say and I have reviewed your testimony. I had other meetings to attend to this morning. I am going to ask if you would bear with me for a few minutes because I do want to make a brief opening statement before leading in to the subject of your testimony.

First I want to welcome you and our other witnesses here this morning. Senator Pressler is also going to testify. It is always a pleasure to have other Members appear before this committee.

Today's hearing is going to focus on three Asian countries: Afghanistan, the Philippines, and Vietnam.

We are all watching the developments in Afghanistan with great interest. For eight years, the resistance forces there have defended themselves against a vicious Soviet invasion. They have seen their villages and their farms destroyed. Over 5 million Afghans have been driven from the country while millions of others live as internal refugees. Food production there has declined by as much as 50 percent and most of the livestock have been lost. Now after 8 years of occupation and war, it appears that the Soviet army is leaving Afghanistan.

However, the country will be only the shattered shell of an already poor nation. Irrigation systems have been destroyed and or-

chards have been deliberately cut down. It is going to take years and billions of dollars just to begin to repair the damage.

For several years now, the United States has provided assistance to refugees in Pakistan and has operated a major cross-border operation to provide humanitarian aid to Afghans living inside their country. I will be interested in hearing from all of our witnesses about plans for the anticipated return of refugees and for the rehabilitation of the country.

The Philippines, as we all know, are facing very serious problems. Bad economic policies, corruption, poor terms of trade, the cost of fighting a communist insurgency, and a high birth rate have all taken their toll. Real per capita income has declined since 1981 and is not expected to recover until 1991. Overall food supply in the Philippines is sufficient to meet the needs of the population but there is a disparity of purchasing power between the rich and the poor. About three-fifths of the population live below the official poverty line of \$126 per month for a family of six. This committee would be interested to hear about the things that are being done to help this important ally.

There have been reports in the press stating that Vietnam is facing a food shortage. It seems strange that this committee is continually dealing with communist countries which cannot feed themselves, such as Ethiopia, Angola, or Nicaragua. The Vietnamese publicly blame the weather, just as their Russian masters have been complaining about bad weather for the past 70 years. It appears, however, that Marxist policies and communist wars have destroyed yet another economy.

Questions have been raised about the nature of the problem in Vietnam and about the ability and responsibility of the United States to respond. No independent assessment of the situation has been made and there is a total U.S. trade embargo against Vietnam. The continued occupation of Cambodia and the failure of the Vietnamese Government to return American servicemen listed as missing in action raises real questions about the propriety of American taxpayers being asked to send any kind of assistance to Vietnam under the current circumstances.

Finally, Mr. Chairman, I can not help but notice that more than 6 weeks have passed since most of the minority members of this committee requested a hearing devoted to the current crisis in Ethiopia. With 2 or 3 million people threatened with starvation, I would think that the Select Committee on Hunger, more than any other committee in the entire Congress, would be doing everything possible to bring attention and world pressure against the Mengistu regime which is committing this genocide. Unfortunately, no hearing has been held and we have not received a response to our letter.

Earlier this week, Assistant Secretary of State Richard Williamson published a newspaper article denouncing the shame of silence on Ethiopia. I ask for unanimous consent that it be included in the record at this point, hoping that this same accusation will not apply for too much longer to the Select Committee on Hunger.

[The article referred to above appears at the conclusion of the hearing.]

[The prepared statement of Mr. Emerson appears at the conclusion of the hearing, see p. 52.]

Mr. EMERSON. Mr. Sensenbrenner, I have read your testimony with special interest because just last week the remains of Lt. Col. Robert Gregory were returned to Cape Girardeau, MO, which is his home town and mine. He had finally come home to his wife, son, and daughter. Colonel Gregory was shot down over North Vietnam in 1966. Both he and his navigator ejected from the aircraft and both were listed as prisoners of war. In 1973, the navigator was released by Hanoi and told U.S. officials that he had seen Colonel Gregory being carried away on a stretcher after they had parachuted from the plane. Based on this evidence, Colonel Gregory's status was changed to missing in action and presumed dead, but there was still no word on the whereabouts of his remains.

For 22 years, his family, my constituents, waited. They had no body to bury and no grave to visit. They had nothing but a lot of unanswered questions about what had happened to their husband and father. For 22 years, the communist government of Vietnam played with the emotions of my constituents. They had the body for the entire time. For 22 years, the Vietnamese had the body. They could have returned it years ago, but for their own cynical reasons, they kept Colonel Gregory's remains until it suited their purpose to return them.

Now this same government wants our aid, and I am frankly outraged. The American people did not like the idea of trading arms for hostages, and I think they are going to be even more disgusted at the thought of trading food for the bodies of American servicemen. If Vietnam wants our aid, let them first return our MIA's. Then we can talk about helping them, but certainly not before.

I have as much compassion as anyone for the people of Vietnam who are suffering under this communist regime, but I have even more compassion for my constituents and others like them who have suffered for too many years without knowing the fate of their loved ones, who have had no grave at which to grieve, and who have not been allowed the basic decency of laying to rest their sons, fathers, and husbands.

I want to co-sponsor your resolution on this subject.

Mr. SENSENBRENNER. Thank you very much. That will be done, and I think that your statement, Mr. Emerson, clearly shows the necessity of passing my resolution because if Colonel Gregory was carried away on a stretcher, his body was not lying out in the jungle for 22 years and recently found by the Vietnamese. They had it all the time.

Mr. EMERSON. You are correct. Please put me on your resolution and let's proceed with expeditious action on this subject.

Chairman LELAND. The gentleman from California, Mr. Herger.

Mr. HERGER. Mr. Chairman, I thank you for calling this hearing.

I want to particularly thank you, Mr. Sensenbrenner, for your testimony.

I am currently a cosponsor of your resolution, H. Res. 462, and I could not be in stronger agreement with its intent.

Mr. Chairman, there is no question that Vietnam could face a problem of hunger within the coming months. Inept centralized planning, which is typical of many communist governments, has

combined with a series of natural disasters to bring food production nearly to a halt. Rice production at enormous collective farms has dropped significantly during the past 2 years and is expected to do so again this season.

As a result, the Marxist Vietnamese Government is trying to convince the western world, and the United States in particular, to provide the food that their policies have destroyed, and to rescue their failing regime which is becoming increasingly unpopular among their own Vietnamese people, as exemplified by the boat people. This would be a tragic mistake. Furthermore, it is absolutely inconceivable to me that we can consider assisting the very same regime which has staunchly refused to cooperate with the United States in locating American servicemen who are listed as missing in action in Vietnam. For us to even contemplate doing this seems to be a direct slap in the face to the American families of those who are still unaccounted for following the war. Indeed, the Vietnamese have had the arrogance to suggest that the United States provide food to aid these very areas where MIA's are thought to be held. In the past, we have refused to acknowledge this kind of blackmail, and we should continue to do so. To provide food aid to the Vietnamese regime would be the moral equivalent of providing food aid to the Hezbollah which continues to hold innocent Americans hostage in Lebanon.

I hope that our witnesses will address some of the concerns that I have raised today, and I hope that my colleagues will carefully consider supporting Mr. Sensenbrenner's resolution. Thank you.

Chairman LELAND. Thank you.

The gentleman from Minnesota, Mr. Penny.

Mr. PENNY. I have no questions.

Chairman LELAND. Thank you, Mr. Sensenbrenner.

Mr. SENSENBRENNER. Thank you, Mr. Chairman.

Chairman LELAND. The Chair would like to introduce the Senator from South Dakota, Mr. Larry Pressler. Senator Pressler is the first veteran of the Vietnam War who has been elected to the U.S. Senate. He serves on the Senate Foreign Relations Committee, and in that capacity, visited Vietnam during our Easter recess this past spring.

Senator Pressler has become a strong advocate for reassessing this Government's relations with the Government in Hanoi. He is a sponsor of a pending Senate Resolution that calls for provision of U.S. Government food assistance to Vietnam as that nation experiences a serious food emergency. We appreciate Senator Pressler being with us this morning. He has thoughts on the Vietnam situation that he wants to share with us, and I appreciate his coming forward.

Senator Pressler.

STATEMENT OF SENATOR LARRY PRESSLER, A U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator PRESSLER. Thank you very much, Mr. Chairman. I know this committee is very busy so I shall summarize my statement and respond to any questions that you might have. Let me say that I am also a cosponsor with Senator McCain of a resolution that

would establish interest-sections in Vietnam so that we will have some presence there. The thinking is that this will be cheaper than some of our higher level missions. Also, we would have some Americans offices there. That way, if there were any American prisoners of war there, we would have a better chance of getting that information with an American presence. Let me add that Senator McCain was a prisoner of war in Vietnam for over 5 years. Our country is deeply indebted to this outstanding American.

I know that the food aid issue is a controversial subject, but food is an area where the United States has an advantage. Actually we can give food, in some instances, more cheaply than we can store it. As in Poland, I don't advocate giving it to the government. It can be given through Catholic Relief Services, through Bread for the World, or through some of the private relief organizations which would have a presence in Vietnam and would then perhaps be able to resolve some of the questions on MIA's that have been raised here. We certainly have not advocated giving directly to the government of Vietnam because we fear that the aid would get into the hands of the military.

On the other hand, we sensed that Vietnam is ready for a change. They openly admit that their collective farming system has failed. They openly admit that some of their economic policies under communism have failed and they seem to be struggling for a new direction.

In any event, I want to just briefly tell you that I visited many of the areas that I served in as a second lieutenant many years ago. I travelled to Hanoi, Ho Chi Minh City, and My Tho, the capital of Tien Giang Province.

In each part of the country I was interested in learning about the food production, marketing, and distribution systems. I visited some of the vegetable markets—I had written some reports on vegetable markets when I was there in 1967—and was astounded at the ways in which the country has gone backward economically.

There are very few motorized vehicles on the roads. Vietnamese officials talked freely and openly about their rice shortfall and the fact that their economic policies have been a disaster. They also have had some drought and some pesticide problems, and they are very short of foreign currency.

They are now bringing people back into the government as advisors some people to encourage free enterprise and entrepreneurship, and they seem to be searching for a new economic approach.

I met with several officials and private citizens while driving through the Mekong Delta farmland en route to My Tho. In one instance, I questioned at some length a Vietnamese woman who was supervising the threshing of rice in a field she owned. They had collective ownership but they are now trying to go back to individual acres. This woman described the low quality of East European and Soviet insecticides, and it was apparent from the tractor powered equipment that her threshing crew was using that the Vietnamese people have real ingenuity for using baling wire fixes for broken parts that cannot be replaced.

One thing about our aid program: none of the big projects remain but there are a lot of Kohler water pumps that are still being used in the delta. Those were distributed by U.S. A.I.D.

under the CORTS Program back during the late 1960's. I have made two floor statements about those Kohler motor pumps. They are remnants of that economic effort. I could go on to share other examples but I have them in my written statement.

I think it is significant that my discussion with the woman farmer in her own rice field illustrated another dimension of the Vietnamese agricultural problem. She said that the crop then being harvested was the last to be controlled by the old government pricing system. While she was careful to avoid criticizing the government for its illogical pricing system that gave producers little incentive to do their best, she was very enthusiastic about her next crop. Unless the government reneges, she expects to harvest her next rice crop under more of a supply/demand system that will encourage her to work harder to produce a larger crop with the prospect of a larger part of the profit staying in her family's bank account. Nothing is more appealing to people who are willing to work hard than rewards for their diligence.

I talked to a number of officials and I want to cite one or two incidents. The Minister of Foreign Affairs was very candid, stating that the collective farming approach had failed and had brought them near the brink of catastrophe, and that he felt small producer cooperatives needed to be organized. He also told me that they have learned that in agriculture they need small enterprises. The peasants had begun to behave like bureaucrats. They went to their fields at 8 a.m. like office workers. Now they go early with their wives and children to work on their private contract land. These are some of the things that I was told by Vietnamese officials and private Vietnamese people.

I visited the food markets of Ho Chi Minh City and Saigon, where I had done some research when I served there 20 years ago. People there also indicated the disastrous consequences of past policies and spoke of the food shortages.

I must confess that one cannot become an expert overnight, but in addition to what the Vietnamese Government told me, some U.N. officials told me that babies were being born below-average in weight in many provinces, especially the rural provinces. The Vietnamese officials have announced that more than 3 million Vietnamese are at the edge of starvation and they have indicated that nearly 8 million people in northern provinces, including the city of Hanoi, are seriously short of food. Rice prices which doubled in 1987 have doubled again between March and May of 1988.

Other reports from foreign visitors to Vietnam confirm that the problem is serious. I want to stress that in my personal observations, the general economic situation is much worse in the north than it is in the south. An official of the International Monetary Fund has substantiated this observation.

I believe that Vietnam has a serious shortage of food and faces an increasing danger of malnutrition or even widespread starvation such as we have seen in Ethiopia and other African countries. The IMF has documented a decline in per capita food production in Vietnam for the past 2 years. The question now is what we Americans should do about the Vietnamese food problem, if anything.

It seems to me, given the perennially large U.S. grain surplus situation, that our Nation should be generous with its bounty. We can

afford to share our surplus of food with all people who are genuinely in need. As I have said, it is my strongest feeling that we should not be giving free food to a communist government, but we ought rather to distribute it through private church organizations. I think that this would be a sort of trump card for us because the Soviets are there in force. They are at Cam Ranh Bay and they are in the old hotels of Saigon. Of course the one thing that they can't provide is food production or food aid.

I might add that the refugee problem might be lessened. The United States takes major responsibility for the refugees in Thailand. I think that this might lessen the number of refugees.

I feel that we ought to have a high level review of our policies in that part of the world. I think that there are some opportunities for us. I think that we could perhaps speed up the resolution of the MIA cases, both by establishing interest areas, as Senator McCain's resolution suggests, and by taking some steps in the area of food for peace.

Mr. Chairman, I have skimmed through my testimony. I have some attachments to it which I submit for the record, and I thank you very much for the opportunity to speak to this committee today.

[The prepared statement of Senator Pressler appears at the conclusion of the hearing, see p. 56.]

Chairman LELAND. Without objection, all of your extraneous materials will be included in the record along with your testimony. Senator, we really appreciate you coming here today to give us your insight into a tragic situation. I agree with you that we need to extend more good will to nations where we have had problems. We have had extreme problems with the Hanoi government both during and after the war, obviously. In the light of President Reagan's statement that, "a hungry child knows no politics," however, we can certainly serve the interests of people who are suffering—not the governments, but the people.

Mr. EMERSON. Mr. Chairman, would you yield?

Chairman LELAND. I will be glad to yield to the gentleman from Missouri.

Mr. EMERSON. I might say that we could begin with the return of our MIA's. I think that if the Vietnamese have a serious interest in our food assistance, then they can begin with the MIA issue. Then, at that point, let the talks begin.

I have no doubt that there are plenty of MIA's still there. I had the remains of a serviceman returned to my home town last week, who had been there for 22 years. He was an MIA whose body was returned last week. There certainly must be someone over there with knowledge of the MIA situation. I feel that before we deal in good faith in addressing this issue of the potential needs of the Vietnamese, that they should first be forthcoming and return all of our MIA's and POW's.

Chairman LELAND. Let me say for the record that this gentleman from Texas does not disagree with the gentleman from Missouri. Indeed the MIA's ought to be returned to the United States. I am not so sure that I agree with linkage.

There are many suffering people in Vietnam. Something needs to be done about them, and I am not in favor of sitting idly by, knowing that people are suffering and doing nothing about it.

Senator PRESSLER. Could I just make a brief comment on that subject? I very much appreciate Mr. Emerson's sentiments. In fact, I was there when 27 bodies were turned over to us. One was the remains of the gentleman that you spoke of. I was part of the honor guard receiving them. I am very concerned and many of my talks were devoted to the missing-in-action issue.

The Vietnamese insist that they do not have any bodies in storage and that they have turned over everything that they have. In fact, three of the bodies that were turned over, have to go to Hawaii to be tested because they were not sure that they were Americans.

The foreign minister told me that if we had any evidence concerning where there might be any such MIA's in his country, that he would get a helicopter and we could have gone there right then. That may all be a lot of bologna, but by having some Catholic Relief Services people going around the countryside and by having some interest sections and some offices, with our people speaking Vietnamese in the countryside, there might be some rumors that could be followed up in order to find any Americans who might be captive there. I think that would strengthen our hand by clarifying whether there are bodies being stored or not.

I certainly do not advocate giving food aid to the government. It would have to be like in Poland, where we go through private agencies. We have used food for peace very skillfully, and it has spread a lot of good will around the world.

Mr. EMERSON. Thank you for yielding, Mr. Chairman.

Chairman LELAND. Senator, I think that you have answered all of my questions, but I don't think that the gentleman from Missouri is going to let you off that easily.

Mr. EMERSON. I just have one further statement. I think that, we should make a statement to the Vietnamese Government that if there are any more MIA's, that issue should be prerequisite. Where did they come up with these 27? Where had my constituent been for the last 22 years? Did they not know about him?

Senator PRESSLER. I don't know. These were bodies which I was told have been found within the last 6 months or so. I am not defending the Vietnamese Government, but that is what I was told.

I also have heard that they have warehouses filled with bodies, but the Vietnamese officials insisted that they do not have any. I do not believe everything I am told, but I do think that if we had some people over there, we would have a better chance of getting back any of our people who may still be alive there, if there are any.

We are having a hearing in the Foreign Relations Committee, with Senator McCain as our lead witness. He was over there for 5 years—I don't know what his position is on this issue—and he believes that we should have interest sections with some people over there. Part of my reason for cosponsoring his resolution is that it would give us some people over there, so that if someone had some information about a POW or bodies, we hopefully could get more of

the facts. There is that side of the issue, and I am not sure that I have all of the answers.

Mr. EMERSON. One other question: Are there currently some church organizations such as Catholic Relief or Lutheran World Services, or other PVO's such as World Vision, operating in Vietnam?

Senator PRESSLER. I don't believe so. I think that the American presence is almost zero.

Mr. EMERSON. They would not necessarily have to be Americans. They could be other nationalities, but one thing we would want would be assurance that they are independent, not connected with the government. One thing that we found during the tragedy in Ethiopia in 1984 was how very effective such organizations as Catholic Relief, Lutheran World Services, World Vision, and others can be, even in the most difficult of political climates.

If we were to begin to implement your recommendations in any way, I would not be comfortable unless it were to be through one of these organizations. It could not be a governmental entity. In fact, I would probably have some difficulties with a U.N. agency, but I would not have any problem with Catholic Relief, Lutheran World Services, or organizations such as that. I want to add the caveat that I think we have to address the MIA issue first. Thank you.

Chairman LELAND. Are there other questions for the Senator?

The gentleman from Minnesota, Mr. Penny.

Mr. PENNY. Senator, do you have any indication of the ability of these groups to get into Vietnam? Would the Government of Vietnam be receptive to these people?

Senator PRESSLER. I gathered that they would be very receptive to any food assistance. It is somewhat ironic that Vietnam would be short of food because they were exporters of food during the 1940's and 1950's. I think that they would agree to anything that would get some food to their people, and the Russians are unable to supply that need.

Mr. PENNY. Thank you. I have no further questions.

Chairman LELAND. Thank you very much Senator. We really appreciate your contribution today.

As a matter of housekeeping, let me inform the gentleman from Missouri that the Chair has authorized the committee staff to organize a hearing to be held in July for the purpose of reviewing the situation in Ethiopia. Let me also add that in March of this year we had a hearing where we discussed the issue of Ethiopia.

I would also like to advise the ranking minority member that this hearing today is under the advice and encouragement of the minority. I make this statement in order to clarify this position: the Chair wants to cooperate fully with the minority and does not want to preclude any opportunity to present issues that are of interest to the minority.

Mr. EMERSON. I thank the Chairman.

Chairman LELAND. You are very welcome.

The committee will now call forward a panel of officials representing the U.S. Department of State and the Agency for International Development, A.I.D.

Due to the complexity of the serious issues surrounding the developmental and political problems in Afghanistan, Vietnam, and

the Philippines, we have asked for officials from both the State Department and A.I.D. to discuss these issues that are before the committee today.

Marion Creekmore, Deputy Assistant Secretary of State, is the Director of the Afghan Working Group. Ken Bleakley, also a Deputy Secretary, is here representing the Bureau for Refugee Problems. Also from the State Department, we have Jeffrey Millington, Director, Office of Vietnam, Laos, and Cambodian Affairs Office.

A.I.D. is represented by Robin Gomez, Director, Office for East Asian Affairs, and by Gary Mansavage, Director, Office for Afghanistan.

Mr. Creekmore and Mr. Gomez will make statements and then all of the witnesses will be available for questioning.

Gentlemen, if you would come forward, please.

Please proceed in the order in which I have introduced you.

STATEMENT OF MARION CREEKMORE, JR., DEPUTY ASSISTANT SECRETARY OF STATE AND DIRECTOR, AFGHAN WORKING GROUP, U.S. DEPARTMENT OF STATE, ACCOMPANIED BY JEFFREY MILLINGTON, ACTING DIRECTOR, OFFICE OF VIETNAM, LAOS, AND CAMBODIA, AND KEN BLEAKLEY, DEPUTY ASSISTANT SECRETARY OF STATE, INTERNATIONAL ASSISTANCE, BUREAU FOR REFUGEE PROBLEMS

Mr. CREEKMORE. Thank you very much, Mr. Chairman.

My colleagues and I appreciate this opportunity to appear before you to discuss our Afghan policy and the ways in which the administration has organized itself to pursue this policy most effectively.

History was made April 14, 1988, in Geneva. The Soviet Union signed an international agreement to withdraw its troops from Afghanistan on an agreed front-loaded timetable. For the first time since 1955 the Soviet Union is retreating from areas occupied by its military forces. This withdrawal began on May 15, 1988, and is proceeding at a pace that should meet or exceed the established deadline. Half or more of these troops should have crossed the Soviet border by August 15, 1988.

This Soviet withdrawal has been an important U.S. objective for almost 9 years. Most of the international community shared this goal, as demonstrated by the series of U.N. General Assembly resolutions condemning Soviet aggression in Afghanistan.

The pullback of the Soviet forces, as important as that is, does not achieve all of our aims, or those of the international community. The brave Afghan people who fought and died to repel foreign occupation deserve to be able to establish a representative government of their own choosing. In addition, the millions of refugees who were forced to flee to Pakistan, Iran, and elsewhere must be able to return voluntarily, in safety and with honor. The Pakistani people and Government deserve considerable praise for their support of, and financial assistance to, the Afghan refugees, often in the face of Soviet intimidation.

The Afghan people themselves must determine their own political future and the composition of their future government. We have confidence that they will do so. Once the Soviet forces leave,

we believe Moscow's puppet government in Kabul will fall, and the Afghan people will decide for themselves which type of government can best serve their interests, and which leaders they wish to administer it.

The international community has an opportunity, indeed an obligation, to assist in the return of the refugees, as well as to provide assistance to those within Afghanistan who have been displaced by the war. Many will need help to return home, to restore their fields, and to rebuild their lives. This will be an enormous and costly task.

We are greatly encouraged by the vigorous leadership that is being provided by the United States in the formulation of a comprehensive, carefully coordinated multilateral assistance effort. We urged the Secretary General to name an overall coordinator for this large humanitarian effort. We applaud his selection of Prince Sadruddin Aga Khan, a man with a distinguished record of humanitarian service. We will work closely with him and support his efforts to seek donor contributions, to coordinate the work of U.N. agencies, and to insure adequate, cost-effective action.

Prince Sadruddin has moved with record speed in developing a coordinated U.N. program. In less than a month after his appointment, the Secretary General was able to issue an appeal to donors and supply them with an outline to be refined later for the cooperative work of the various U.N. agencies. Two days ago, the first donors meeting was held at the U.N. headquarters in New York. Other meetings will be scheduled after donors have had time to study the relevant documentation. The U.N. coordinator has every reason to be pleased with the highly positive response of donors to this first information-sharing meeting.

Months before the Geneva settlement, we encouraged the U.N. and other donors to begin preparations for the refugees' return. Our efforts have been instrumental in achieving the current state of planning.

The U.N. coordinator is insisting that the aid to the refugees be strictly humanitarian in nature. He has stressed to us that the U.N. assistance would not flow through the Kabul regime, nor would he allow it to be used by that regime to try to enhance its political position within the country.

Publicly and privately, we have made clear that we regard the Kabul regime as illegitimate and that we will be watching closely to insure that it does not succeed in trying to manipulate the U.N. program. Other Western donors share our convictions and determination. Working with Prince Sadruddin we are confident that the U.N. effort will be directed in ways which are conducive to the interests of the Afghan people.

The United States currently provides \$119 million in humanitarian assistance to Afghans. Approximately \$49 million of this assistance goes through multilateral channels, specifically to the U.N. High Commissioner for Refugees and the World Food Program. Our long-standing concern for these people resulted from a congressional initiative and has been generously funded. Despite budgetary constraints, we hope to maintain this overall level of bilateral and multilateral aid in fiscal year 1989, and we are seeking additional resources within existing funding, particularly for food aid,

in order to contribute to our Afghan assistance effort. However, we do not intend to seek a supplemental for Afghan assistance. We are encouraging other donors to contribute substantially to the Afghan effort.

Mr. Chairman, there is much that we do not know about conditions in Afghanistan and about the immediate intentions of the refugees. We believe that a large majority of the more than 5 million refugees in Pakistan and Iran will want to return to their country. We believe that many of the 1 or 2 million displaced persons within Afghanistan desire to return to their homes. We think that most will wait until the level of violence in their traditional areas declines significantly. The crop cycle, the removal of mines, the availability of survival assistance, and the wartime damage to their land and villages are some of the factors that will influence their decision on when to return. Given the independence of the Afghan people, we believe that they will decide for themselves when to go back. They will not let any government or international organization make that decision for them.

The challenge to the international community is to be sufficiently organized to be able to assist when the flow of people homeward begins. It would be a terrible tragedy if this return to a land no longer occupied by foreign troops, would end in destitution and starvation, because sufficient assistance was not available during that period before the Afghans could again make their fields productive. The international community must not allow that to happen.

Let me conclude by briefly describing the way in which we in the executive branch are organized to coordinate and pursue our Afghan policy. Immediately after the Geneva Accords were signed, Secretary Schultz asked Ambassador Richard Williamson to serve as Afghan coordinator, in addition to his other responsibilities as Assistant Secretary for International Organization Affairs. Ambassador Williamson's job is to coordinate the many aspects of our Afghan policy and the relevant work that is being done by a number of bureaus within the State Department as well as within our agencies. At this time, his particular focus is on how the United States can best assist—multilaterally and bilaterally—in the repatriation and resettlement of the refugees and the ultimate reconstruction of the country of Afghanistan. Two weeks ago he was in Geneva, this week in New York, helping to shape the U.N. effort, which must take the lead in this humanitarian endeavor. I am privileged to serve as Mr. Williamson's deputy for coordinating our Afghan activities.

Let me say just a few words about the mechanics of our coordination. Early each morning, we have a meeting of representatives of the bureaus and agencies that are most directly concerned with Afghanistan. These representatives are in close contact throughout the day. They have been designated as the primary persons within their own organizations for Afghan issues. They are either empowered to take action by making decisions on their own or given immediate access to their superiors for these decisions. We think we have an efficient operation staffed by committed and highly motivated people.

Mr. Chairman, the return of the Afghan refugees and the displaced persons within Afghanistan is a major international challenge. Working with other donors, the U.N. coordinator and U.N. agencies, and the Congress, we are determined to do our share in meeting this challenge.

Thank you.

[The prepared statement of Mr. Creekmore appears at the conclusion of the hearing, see p. 75.]

Chairman LELAND. Thank you Mr. Creekmore.

Mr. Gomez.

STATEMENT OF ROBIN GOMEZ, DIRECTOR, OFFICE FOR EAST ASIAN AFFAIRS, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (U.S. A.I.D.), ACCOMPANIED BY GARY MANSAVAGE, DIRECTOR, OFFICE FOR AFGHANISTAN

Mr. GOMEZ. Mr. Chairman, do you want to stay with Afghanistan or do you want me to go into my oral statement on the Philippines and Vietnam?

Chairman LELAND. Please proceed with your statement on the Philippines and Vietnam.

Mr. GOMEZ. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you today to testify on the hunger issues in Asia—specifically on the problems in the Philippines and Vietnam. Jeff Millington is here with me to help answer questions on Vietnam.

The countries that A.I.D. has assisted in Asia confront a tremendous challenge in their attempts to feed their people. These countries, which exclude China and Vietnam, have a combined population of approximately 1.3 billion, which is more than twice the total population of A.I.D.-assisted countries in Latin America and Africa. Average per capita income is less than \$350 per year, so there are many hundreds of millions of impoverished people in the region. However, there has been real progress in meeting basic food needs.

Twenty years ago, famine was a real threat throughout Asia, with millions of people at risk. Today, that risk has diminished considerably. With a combination of Green Revolution technologies, sound agricultural policies, and effective management of their economies, these countries have reached the point where starvation is no longer a present danger. Rice production in East Asia has increased 66 percent using high-yield varieties developed by the International Rice Research Institute in the Philippines. Similar increases in wheat production are common throughout South Asia. Countries which once were hungry, from India and Bangladesh to Indonesia, have not only expanded local production sharply but have also developed foreign exchange reserves to procure food on the world market in case of occasional shortfalls. The United States provided leadership, policy and technical advice, development assistance, and food aid to help support this progress.

The progress Asia has made so far demonstrates that sound development programs work. Our food aid and development aid programs are an effective expression of the humanitarian interests of the American people. Our assistance also serves foreign policy interests by promoting political stability and participatory economic

development and contributes directly to our own economic prosperity by stimulating trade and growth. Our exports, including agricultural commodities, have increased significantly in several Asian countries where development has led to increased income and higher purchasing power.

Nevertheless, this is only a beginning. The food security progress made so far in Asia is neither complete nor assured. Population growth rates continue to be high in many of these countries, and returns to Green Revolution technologies are no longer as great as they were. Malnutrition is still widespread. Several Asian countries have yet to fully adopt the necessary agricultural policies and technologies. Others remain vulnerable to natural disasters. In short, we need to stay-the-course with these countries and to continue to assist them with their development and food security problems. At the same time, the United States must also be prepared to respond to problems which arise as a result of political crises or natural disasters.

Having much of the world's total population and a rapidly growing economic capacity, Asia is particularly important to the foreign and economic policy interests of the United States. Asians continue to expect the United States to provide leadership to help work through difficult political and economic problems, and our humanitarian and development assistance programs have proven to be more than adequate vehicles for providing this leadership. For our efforts to be effective, however, they must also be matched by appropriate policies, committed institutions, and strong leadership on the part of cooperating countries.

In the Philippines a new government is committed to programs which will broaden both political and economic participation, and significant progress has already been achieved.

The government of Corazon Aquino in the Philippines has made truly remarkable progress. Under the crony-capitalism of the previous government, strong but highly unbalanced economic growth of the 1970's gave way to the economic crisis of the 1980's. Growth spurred by a capital intensive and monopolistic economy could not generate the productive employment or meet the basic needs of a rapidly growing population.

Beginning in 1983 the Philippines experienced the worst economic and financial crisis in its postwar history. Real per capita incomes fell to early 1970 levels. The number of families falling below the poverty line increased. The nutritional well-being of the people deteriorated. One-fourth of the children of the sugar workers on the island of Negros were found to be significantly malnourished.

Since the Aquino government came to power in February of 1986, there has been a democratic revolution in the country. The economic decline has been reversed. GNP grew by 1.6 percent in 1986 and by a robust 5.7 percent in 1987. Current projections indicate an even higher growth in 1988. Substantial U.S. economic assistance has been important to the recovery. The total is over \$1 billion, including the funds that are budgeted for this year.

Substantial food aid has been a part of that U.S. assistance program, accounting for over \$190 million, including \$50 million worth of rice this year.

Through our feeding programs and support for the work of private voluntary organizations in maternal and child health care, we are directly assisting at the village level in the Philippines. A.I.D. assists agricultural development projects targeted on specific poverty groups in some of the poorest areas of the country.

In Vietnam, we face a situation where the food problem seems to exist, but where we have very little hard data. Whatever the magnitude of that food problem, it can be attributed, in the short-term, to drought over the past several years, a series of typhoons, and insect infestation.

However, the major problem has its roots in the economic mismanagement that extends back more than a decade. Put quite simply, rice farmers in Vietnam simply will not produce surpluses if they do not receive a fair price for their harvest. With proper incentives, Vietnam could go a long way toward solving its own food shortage.

As you are aware, the United States currently does not provide assistance to Vietnam. In fact, it is prohibited by statute from providing most forms of aid. Nevertheless, this administration believes that humanitarian relief can, under certain circumstances, be justified in spite of the policies of the recipient governments. If there is a shortage of food in Vietnam which is life-threatening, and the Vietnamese ask for our assistance, and if a disaster is declared, then the United States would consider an appropriate response within existing legislative guidelines. However, at this time, we do not believe that the situation warrants such a response.

In summary, A.I.D. believes that the food security in Asia will continue to improve, but the Asian governments need to be prepared to implement policy reforms that may sometimes be difficult. At the same time, continuing foreign assistance will be necessary. A.I.D. believes that the United States has much to contribute to this process and that it is strongly in our interest to do so. Thank you.

[The prepared statement of Mr. Gomez appears at the conclusion of the hearing, see p. 92.]

Chairman LELAND. Thank you very much, Mr. Gomez.

Do any of the other panelists wish to add anything?

Mr. BLEAKLEY. Mr. Chairman, we have a more complete statement by A.I.D. witnesses which we would like to submit for the record.

Chairman LELAND. Without objection, so ordered.

Thank you very much.

We are going to try to expedite the questioning if possible, by focusing on one country at a time.

Mr. Creekmore, U.S. policy in the last 8 years has been very clear. Our goal has been to help the Afghan people regain their sovereignty, their country. As the Soviet troops pull out, we can be justifiably proud of our role in helping these people in their valiant fight. However, as you have mentioned, their difficulties are far from being finished.

As the Afghan people return to their homes, they will be faced with unplanted fields, decimated livestock, ruined irrigation systems and agricultural infrastructure that is in a state of disrepair, and, most immediately, a serious lack of food. Since the United

States took the lead, financially and politically, to help the Afghans win back their land, it seems that the United States should take the lead to help them resettle on their land. Does the administration share this view?

Mr. CREEKMORE. Mr. Chairman, we certainly do. In fact, the \$119 million in humanitarian assistance, which I mentioned in my statement, represents the largest contribution of any western donor to the humanitarian relief effort. Despite our budgetary constraints, we are going to make every effort to maintain that level, and we are searching within existing resources to augment it somewhat.

We do believe that other countries, which have been less generous than we, should pick up a large part of the additional burden. We also believe that some of the money and food that is being provided for the refugees in Pakistan will follow them when they begin to move back in to Afghanistan. The U.S. contribution is very large, and we would like to find additional resources. We will be working closely with the United Nations and the other donors to encourage them to participate fully in this exercise.

Chairman LELAND. Let me be sure that I understand clearly. The \$119 million was in relief assistance wasn't it?

Mr. CREEKMORE. That is correct?

Chairman LELAND. That is not attributable to the refugee problem or the resettlement problem at all?

Mr. CREEKMORE. First, let me be sure that I understand, and let me ask my colleagues to join me if I don't state it as clearly as I should.

The \$119 million is provided both multilaterally and bilaterally. It is directed toward assistance to the Afghan refugees who are currently in Pakistan. It is also directed toward people living in Afghanistan who did not leave, in order to provide assistance to them and to encourage them to stay in their country rather than to come out, which would place an additional burden on the government of Pakistan. Pakistan has been very generous in its support of the refugees. In effect, our assistance is helping Afghan people both in Pakistan and Afghanistan.

Chairman LELAND. The U.N. has requested roughly \$1.2 billion over the next 18 months for the resettlement effort. What preparations are being made for a U.S. response? Are we going to respond to the invitation of the U.N. to participate in the resettlement program?

Mr. CREEKMORE. We have been in close contact with Prince Sadruddin Aga Khan. In fact, Ambassador Williamson flew to Geneva to meet him 2 weeks ago right after he returned from a visit to the area. Ambassador Williamson made the trip to get Prince Sadruddin's views and share ours in an effort to be certain that we would be able to be strongly supportive of the U.N. effort. Tuesday of this week, in New York, Ambassador Williamson announced to the donors meeting that we do have this level of assistance in fiscal year 1988, and that we intend to maintain that in fiscal year 1989, with the Congress' help. He also mentioned that we would be looking for additional resources, particularly food resources, to augment that level. At the same time, he expressed strong support for the U.N. effort and called upon others to contribute generously to it. I think it is fair to say that we are strongly supportive of the

U.N. effort and that we think that it is essential for the U.N. to take the lead in this humanitarian endeavor.

We believe that we can make a contribution to the overall effort both through multilateral assistance and bilateral assistance. Our bilateral assistance program in Afghanistan is the only one operating right now, and it should go forward because it is providing a very useful service in the form of food aid, education, and health care for the people in Afghanistan.

What we see is a highly coordinated, cooperative multilateral and bilateral effort of the United States working with other nations because the task is simply too large for any one nation to accomplish on its own.

Chairman LELAND. Very good, let me ask one last question. You have referred repeatedly to the budgetary restraints that seriously limit any U.S. contribution to the U.N. appeals for Afghanistan. Could you tell me why we can not take some of the roughly \$600 million that was originally intended for the Afghan resistance fighters and apply it to the humanitarian needs in Afghanistan? The resistance does not need that money now and the Afghan civilians need it badly. Is this being considered?

Mr. CREEKMORE. Mr. Chairman, we are looking at all possibilities for support for the humanitarian effort. I think we also have to be realistic in terms of the situation on the ground. We are quite encouraged in terms of what we are seeing in regard to the Soviet withdrawal, but even if they meet their August 15, 1988 timetable, that will still leave 50 percent of their troops. They are not required by the Geneva Accords to withdraw all of their troops until February 15, 1989. We must mount an effective humanitarian effort and be prepared to assist refugees when they begin to go back to their homes, but we must recognize that there are other things still happening in Afghanistan that must play their way out.

Chairman LELAND. Very good. I thank you.

Mr. Emerson.

Mr. EMERSON. Mr. Creekmore, will the United Nations be providing assistance through the regime in Kabul, or through the resistance alliance?

Mr. CREEKMORE. The United Nations is intending to provide its assistance directly to the refugees themselves. Prince Sadruddin Aga Khan is determined that this will be strictly humanitarian assistance, not to be used politically by any side. He has given us strong assurances, and he has said publicly, that the flow of assistance will not go through the Kabul regime. He is fully aware of our strong view and the view of other western donors about the illegitimacy of that regime. We have confidence that this is the way in which it will work out. We have made it clear to him and to the heads of all the U.N. agencies involved that this is a very important issue for us and that we will be watching it very closely.

Mr. EMERSON. How are we going to insure absolutely that this aid is not going to be used by the Soviet-supported regime to prop up its rule?

Mr. CREEKMORE. We are going to watch it closely and I can assure you that we will come down very hard if we ever have any suspicions along those lines.

Mr. EMERSON. What is the attitude of other major donors on this subject?

Mr. CREEKMORE. We are pleased because the other major donors share our views, virtually point-for-point, on the need for humanitarian assistance and that the aid should not go through the Kabul regime. A number of other donors explicitly made those kinds of statements in New York.

Mr. Williamson has had a number of conversations with donor governments and I think that in this particular effort there is strong solidarity of view among the traditional donors. I am very comfortable with that.

Mr. EMERSON. The return of refugees is obviously going to depend on the military and political situation there. Do you have any indication as to when we are going to see a return of significant numbers of these refugees to Afghanistan?

Mr. CREEKMORE. There has not been much of a flow so far. Early on there was speculation that just as soon as areas became liberated from the Soviet troops, there would be a fairly rapid flow of returning refugees. There have been a number of areas from which the Soviets have withdrawn, but so far there has not been a major flow of refugees. The sharp reduction of violence in the areas where the refugees would be inclined to go will obviously be a factor, and some of that is still being played out. The crop cycle is going to be another factor.

We believe that the refugees are sending people into the country to assess the situation for themselves and that they will make their own decisions. We really cannot say specifically when the flow of refugees will occur. If there is going to be a major flow this year, it will probably occur sometime in the fall, assuming that 50 percent of the Soviet troop will be out by August 15, 1988.

That coincides with the planting season for the winter crops, and the refugees know full well the situation that they will face, that is, the devastated fields, the irrigation systems that have been torn up, and the lack of food supply. They will take these into account when they decide whether to return this year, or early next year.

Mr. EMERSON. You raised a very interesting point there. One of the most critical issues that the returning refugees face is the threat of land mines that have been left behind by the retreating Soviet and Kabul forces. Has any progress been made in persuading the Soviets to turn over their maps of the mine fields so that these fields can be cleared?

Mr. CREEKMORE. They have not turned these maps over to the U.N., although we have been pressing very hard for them. U.N. officials are talking to the Soviets about this and we will continue the pressure.

You have hit upon one of the most important issues of the refugee return. We think that there have been millions of mines sowed, and we think that most of them are still active. One of the major issues that Prince Sadruddin Aga Khan will be working on, along with us and the other donors, is the problem of how to help the refugees find and deactivate these mines. We will press the Soviet Union and the Kabul government hard because, in the final analysis, the mines must be moved before the people can return in large numbers.

Mr. EMERSON. Will any mine-clearing equipment be included in the U.N. or U.S. humanitarian aid package?

Mr. CREEKMORE. That has not yet been determined, but it is being studied. We are trying right now to get the best fix on the problem in the country. It is certainly being considered. If the best way to get the mines out is to train the refugees to clear them and to provide them with the necessary equipment for the job, then we will certainly consider that. No final decisions have been made at this point.

Mr. EMERSON. How would you characterize the relationship among the western donors, the resistance alliance, and the Pakistan Government?

Mr. CREEKMORE. I think that there is a very strong similarity of view among all the groups that you mentioned in the areas of the three major points that I enunciated as policy.

The Soviet troops must withdraw at least within the specifications of the timetable, the Afghan people must have the right to establish the government that they choose under self-determination, and the refugees should be able to return voluntarily and in safety. I think that in all of the groups that you mentioned there is a unified view and all of those groups are working in that direction.

Mr. EMERSON. Thank you.

Mr. Chairman, I have some additional questions and I ask unanimous consent to have permission to submit questions in writing to the witnesses and to have these entered into the record.

Chairman LELAND. Without objection, the questions and their responses will be included in the record.

Mr. CREEKMORE. We would be delighted to respond.

Chairman LELAND. The gentleman from Minnesota, Mr. Penny.

Mr. PENNY. Thank you, Mr. Chairman.

Mr. Gomez, can you tell me how much we have spent so far in the Philippines? Has all of the allocated money been spent?

Mr. GOMEZ. No, that money has not been spent. The status of the bill, the land reform program, is that the Philippine Congress passed the bill which lays the legislative basis of the program, and President Aquino signed it last Friday, June 10, 1988. The government is now developing the programs needed to implement that bill. Their comprehensive program includes four sub-programs, and the government has been working to implement one of these. That is the overall status.

A.I.D. is now working with the government to develop a program for that \$50 million, and we think that by August, which is the legislative deadline for this, that the money will be obligated. That is the status.

Mr. PENNY. What happens if we miss that deadline?

Mr. GOMEZ. If we miss it, we will wait until a program is ready, and then we will go ahead in using that \$50 million for agrarian reform.

Mr. PENNY. What additional resources might we have to put into that program?

Mr. GOMEZ. It is going to be a costly program. They are thinking right now that it will take 10 years. We do not have the total cost right now, but the government is talking in terms of billions of dol-

lars. The immediate cost will be about \$350 million, but the question of how much we are going to need in the future is difficult to answer.

There are three sources of financing right now. The Government will be financing some of it. The Japanese have expressed an interest in the land reform financing, and so has the World Bank. It is really too early to say what the total requirements will be, but we will know that as the programs develop with more study.

Mr. PENNY. Can we say that it is an established policy of our Government to fill the gap that is not met through other sources?

Mr. GOMEZ. I think that we can say, first of all, that it is the Filipinos who are going to have to make it work, but I think that we could say is that we are supporting that government's efforts and that this will continue to be a priority.

Mr. PENNY. How would you rank land reform among those initiatives that have to occur in the Philippines?

Mr. GOMEZ. I would say that the Filipinos themselves have given it extremely high priority. I think that they see it as a means to restructure the economy, because the land tendency reflects into the rural social structure of the country. They would give very high priority to agrarian reform to insure the benefits of future growth.

Mr. PENNY. No further questions, Mr. Chairman.

Chairman LELAND. The gentleman from California, Mr. Herger.

Mr. HERGER. No questions, Mr. Chairman.

Chairman LELAND. Gentleman from Michigan, Mr. Carr.

Mr. CARR. I have a question for Mr. Creekmore. Can you give me a brief overview of Afghan agriculture before the Soviet invasion and compare that profile to what we can hope will happen now over a reasonable period of time?

Mr. CREEKMORE. If I may, Mr. Carr, I will give you a general view and then turn to my colleagues to let them fill in.

Afghanistan had been a poor country for an extremely long time. Prior to the war, most of the agriculture was a type of subsistence agriculture, and the per capita income was low. Since the invasion and the fighting, agricultural production has diminished considerably. There is a considerable amount of debate going on right now concerning the question of how much less the land is producing than it was. Recently the Swedish committee did a report that was very pessimistic and which suggested that crop production in the irrigated areas had decreased by about 33 percent and that in the rain-fed areas the decline was about 50 percent. There are other reports that suggest that those figures are perhaps more pessimistic than the situation warrants.

There have been no major area of starvation in the country. People seem to be getting food, but a lot of this may be the result of supplies coming in from the outside, particularly from the Soviet Union, into areas where the Kabul government still has control.

The short answer to your question is that we do not know as precisely as we would like to know, but certainly there is not the level of production that there was before the Soviet invasion because there has been extensive damage to the fields and to the irrigation systems. A major effort will have to be undertaken.

What the U.N. and our bilateral programs will concentrate on initially is helping the refugees get back to the land and returning the land to productivity. Subsequent to that will be the effort at major reconstruction projects. I think that gives a general indication, but maybe my colleagues could comment further.

Mr. MANSAVAGE. Maybe I could add an example, Mr. Carr. Before the 1979 Soviet invasion, it was estimated that wheat production was about 2.8 million metric tons annually. Afghanistan was a food deficit country in the early 1970's, moving toward approximating foodgrain self-sufficiency. It was classified as one of the least developed countries at that time. You can certainly imagine the amount of devastation that has taken place since that time.

There has been uncertainty about at what level food production has continued. There are indications that there is food available in the country. The problem that we are facing in trying to plan for the return of the refugees is that we know that if these millions of refugees return immediately, the land will not be ready.

We will be meeting with a key member of Prince Sadruddin's staff to develop a data bank and to create model programs that we might put into place as the refugees return.

Mr. CARR. Do you have any notion of the percentage of self-sufficiency of Afghanistan in the area of agriculture or food production prior to the Soviet invasion?

Mr. MANSAVAGE. I do not have those at this time, but I would be happy to provide them for the record.

Mr. CARR. It might be helpful if we could get a picture of the self-sufficiency that they had and what goals for percentage of self-sufficiency that we should look for. We would also like to know who their trade partners were before the invasion and how much of that would be reestablished. I assume that they would have a strong trading partner in the Soviet Union. Is that contemplated?

Mr. CREEKMORE. Certainly the economic ties between the two countries, agriculturally and industrially, have been large in the past. I am sure that the relationship will continue in the future.

Mr. CARR. Perhaps we could also learn who were their traditional agricultural trade partners. It would seem that those particular countries would have a huge stake in helping the refugee effort because they stand to benefit. That does not diminish our desire to do something to help, but it may help us to know who ought to be there when the call is made.

Mr. CREEKMORE. We will supply that for the record and we will also take the point.

[The information referred to above appears at the conclusion of the hearing.]

Chairman LELAND. If there are no more questions for you, Mr. Creekmore, I will dismiss you and your colleagues. Thank you very much for the testimony and comments that you made today.

Let us turn now to the Philippines.

The administration has repeatedly expressed interest in promoting the economic development of the Philippines, for obvious reasons. Earlier this week, President Reagan called for a massive international assistance program to the Philippines. At the same time, however, U.S. development aid, economic aid, and food assistance has been decreasing.

In fiscal year 1987, the United States provided \$340 million to the Philippines. This year, U.S. aid decreased to \$270 million and the administration requested only \$151 million for next year.

I understand that the aid budget is shrinking, but these cuts are extraordinary. I ask you, Mr. Gomez, is the United States interested in providing more aid to the Philippines, or are we just going to talk about it?

Mr. GOMEZ. Mr. Chairman, I guess that the answer to that question is both. There has been an enormous effort made in the last 2 years, considering the budgetary constraints, to increase the priority for the Philippines. That is reflected in the first figure that you read, which was a significant increase. Levels have been significantly high.

We have been constrained by the budget, which is the reason that we heard the President speak of trying to join with other friends of the Philippines in a massive effort to put the country back on a road of sustained economic growth and to begin to eliminate the poverty in that country. This will require increased assistance from us.

At this point, we are in the process of negotiation and discussion with donors, multilateral agents, and the Congress about the size and shape of that program. There is no doubt that increased assistance to the Philippines is a high priority in the administration.

Chairman LELAND. Some critics of the administration have argued that the decrease in U.S. assistance to the Philippines is somehow connected to the negotiations about base rights. Can you assure us that this is not the case? Can you clarify this issue?

Mr. GOMEZ. No, it has more to do with our own internal budget problems. As you know, there was a summit on the budget that has probably had more to do with it than the base review. There is a base review progressing right now, but we are not sure what the results of that will be.

Chairman LELAND. Last month, administration officials were talking about a \$10 billion Marshall Plan for the Philippines over the next 5 years. Recently, it seems as if the United States is backing away from that figure. Could you tell us what level of assistance we should expect to see over the next 5 years in concert with a multi-national Marshall Plan initiative?

Mr. GOMEZ. At this time, Mr. Chairman, we can not. That \$10 billion is still a target figure, and until we finish our consultations, particularly our consultations on Capitol Hill, we can't really project what the total amount is going to be or how much our contribution will be.

Chairman LELAND. The gentleman from Missouri.

Mr. EMERSON. I have several questions, and I will ask a couple of them and ask permission to submit the rest of them in writing to be added to the record later.

Chairman LELAND. Without objection, so ordered.

Mr. EMERSON. One of the major problems facing the Philippine Government is the cost of fighting the communist insurgency. Could you give us some examples that would show us how the U.S. aid is helping to reduce the appeal of the communists?

Mr. GOMEZ. I think that if we look at the aid program overall, we will see that its purpose is to help the country make an economic

recovery and to alleviate poverty. There are a lot of arguments about the exact nature of the motivation behind the insurgency, and there seems to be some consensus that poverty adds to it, although that may or may not be the prime cause.

If you look at what we are doing you will see that we are working in five basic areas.

We are trying to revive economic growth and working with the IMF and the World Bank to expedite the economic reform program that Mrs. Aquino put into place. Basically, we are working to restore real incomes and to get employment back up. Specifically, we are putting in funds to keep key development areas funded, which might be cut out in an austerity-type program. We are funding teacher salaries and some of the expenses of the health department.

A second area of priority is the rural infrastructure, such as rural electrification, roads, and schools. During the economic crisis of the last 3 or 4 years, the investments have not been made to maintain these important services, so we are helping to rehabilitate and expand the coverage there.

The third area is the area of social services. We have already talked about education and health service aid, but we also have a project that is designed to help the department of health to expand their basic health care delivery services into the rural areas. As part of that project, we are doing some direct programs on malnutrition through CRS and CARE throughout the country. We are also working with PVO's. We have a \$16 million project involving PVO's, that deals with health care, family planning, and maternal/child health care.

The last major area that we are working in is agricultural development. We are supporting agrarian reform and we are working on two projects that are focused on upland farmers, a targeted poverty group.

When you look at all of this together, you can see that we are trying to address some of the causes that underlay that communist insurgency.

Mr. EMERSON. How are we doing in encouraging other countries, particularly the higher-income Asian nations, to increase their assistance to the Philippines? What are Japan, Korea, Taiwan, and Singapore doing?

Mr. GOMEZ. Japan has increased its aid significantly. They have put in about \$600 million, which is double the amount of our contribution, and they have committed themselves to maintaining increases in the same range.

There has been a major donor effort which can be clearly seen in the amounts of money that have been made available to the Philippines in the last year. This effort includes the Australians, the Canadians, and some of the European countries, so you can see that it goes across the board.

Mr. EMERSON. Would you submit that information for the record, please?

Mr. GOMEZ. We will.

[The information referred to above appears at the conclusion of the hearing.]

Mr. EMERSON. Thank you very much.

Chairman LELAND. The gentleman from Minnesota, Mr. Penny.
Mr. PENNY. I have no further questions, Mr. Chairman.

Chairman LELAND. Let's discuss Vietnam now.

Mr. Millington, it is clear from the information that we have received that Vietnam's food shortages will continue and will grow worse in the months ahead. We would like to establish now, before people start to die from hunger, exactly what steps will have to be taken to allow the U.S. Government to respond.

Let us presume for a moment that aid can be provided despite the legislative restrictions. Would a U.N. assessment of the needs in Vietnam be adequate for our purposes? What sort of agreement would we need from the Vietnamese Government before we could send aid? And are there other obstacles that you know of which would have to be overcome?

Mr. GOMEZ. Mr. Chairman, with your permission, I will take the first crack at that and then Mr. Millington can join me.

I guess that the real problem in the northern part of Vietnam is the conflicting information that we are getting. There seems to be no doubt that there is a food shortage, but how serious it is can be very difficult to assess.

In March 1988, the Government of Vietnam made an appeal for fertilizer and seed, which seemed to be based on a 1.5 million ton production shortfall. In May, they made an appeal for 108,000 metric tons of food. Last week, we had two press reports predicting a 400,000 ton shortfall. One of the reports was from Hanoi state radio, which talked about a good winter/spring harvest in the south, and an increase expected in the north.

We have also talked to visitors who have been there, and they say that there does not seem to be starvation there. There is no doubt that there is a problem, but it does not seem to be anything like the problem in Ethiopia. Most of the people that we have talked to seem to think that the problem is not immediate, but that it will become more severe in 3 or 4 months.

Our best judgment, after talking to all of these people, is that there is a problem, but we really don't know how serious it is, or how far in the future it may be. We will need some kind of credible evidence to confirm the situation.

Chairman LELAND. Have you sought to find any means whereby our officials could go in to Vietnam to assess the situation?

Mr. GOMEZ. We have not. The normal procedure in a case like this is that the Vietnamese Government would have one of the international agencies come in to do such an assessment.

Chairman LELAND. Have they done that?

Mr. GOMEZ. We do not know of any independent assessment.

Chairman LELAND. This committee has had difficulties with the administration in other food emergencies, such as in Angola, where we have encountered a seemingly endless series of obstacles preventing the delivery of U.S. aid. We would like to avoid that in the case of Vietnam if it is possible. Are you suggesting that if there is a problem in Vietnam that the U.S. Government would be amenable and willing to respond to the needs there, if there is first a credible assessment of the problem?

Mr. GOMEZ. I think that if there is convincing evidence that there is a life-threatening situation there, and that if they asked

for the assistance, and that if a disaster were to be declared through the State Department, then we would be prepared to respond within the restrictions that are in our existing legislation.

Chairman LELAND. When can we expect to receive a communication to the effect that an analysis of the situation, presumably indicating exceptional human need, has been completed, and that a determination to move forward in providing assistance has been made? If there is an assessment, done by the U.N. or some other organization, how much time will it take the United States to respond?

Mr. GOMEZ. It is very difficult to respond to a hypothetical question, but if there is clear evidence of a disaster there, then the use of international disaster funds can be implemented fairly rapidly. However, we are not sure that the situation in Vietnam merits that kind of response. It is simply not clear to us yet.

Chairman LELAND. I met Friday with the Foreign Minister of Vietnam and he echoed the sentiments of the news reports that there is a serious problem in the North and that there were several million people on the brink of starvation. Do we simply not believe these indications from the Government of Vietnam, but take for granted that the word of those who have visited there is true?

Mr. GOMEZ. No sir. The problem is that the Hanoi state radio is saying something that seems to be opposite of that. I don't know if that reflects a power struggle that is going on, or why it is back and forth.

We would also want to know what is going on in the South because there are problems there. Because of the price system and the price that the government is willing to pay, the farmers are not selling their crops to the government. We would need an assessment of the total food situation in the country.

Chairman LELAND. I am informed that WFP staff has visited five of the affected provinces in the North and found that the situation is as critical as the government has described it. I guess that what you are saying is that the government officials themselves are giving conflicting stories, which is confusing our Government on the question of what is truly needed there. How do we ferret out the truth?

Mr. GOMEZ. I think that the Government ought to have an international agency verify and assess the situation there, looking at the food situation in the South and in the North, looking at the food stocks and the harvest, in order to sort out the chaff from the wheat. Then at that point, assuming that we are not still getting conflicting stories, action could be taken.

Chairman LELAND. Give me the administration's interpretation of the legislative restrictions that are imposed on Vietnam in the area of humanitarian aid.

Mr. GOMEZ. There are several very specific prohibitions in the FAA which apply to Vietnam. They name the country specifically. Those could possibly be waived by the President.

Section XIII of the Department of State Authorization Act provides that, " * * * notwithstanding any other provision of law, no assistance may be provided to North Vietnam unless specifically authorized by Congress." There is a clear prohibition.

If you look at Public Law 480, section IV prohibits the sale or donation of food commodities to North Vietnam, unless specifically authorized by legislation enacted after 1973. In Public Law 480 that prohibition is very definite. Food assistance does have statutory restrictions.

That leaves international disaster assistance, and there is a notwithstanding clause whereby, " * * * the President may authorize assistance to countries notwithstanding any other provision or law." So we are left with only the international disaster assistance account funds.

Chairman LELAND. Thank you. Mr. Gomez, I will have more questions for you which I will submit in writing, and, without objection, your responses will be entered into the record.

The gentleman from Missouri, Mr. Emerson.

Mr. EMERSON. Thank you, Mr. Chairman.

Is the primary cause of low food production in Vietnam bad weather and insect infestation, or is it bad economic policy? If the problem in North Vietnam is caused by weather, is there any indication that the same condition exists across the river in southern China, or did the bad weather and the bugs stop at the border?

Mr. GOMEZ. Let me go back to the causes or the things that seem to be the causes. First if you look at the agricultural sector, there is a structural problem there that goes back at least 10 years. Part of it closed during the reunification when the North tried to impose policies on the farmers in the South. Part of it has to do with the distorted price structure within the country.

Mr. EMERSON. So you are saying that the problem is the economic system, not the weather, correct?

Mr. GOMEZ. I am saying that the underlying problem is the economic system which has made the food supply vulnerable to any kind of dislocation, such as weather or infestation.

Mr. EMERSON. Do you have any idea what level of economic and humanitarian assistance to the Vietnamese has been provided by the Soviet Union?

Mr. MILLINGTON. I wish that I could have had this question earlier. We would have been able to give you a more detailed answer. In a word, no, we don't know. The figure that we have used among ourselves as an estimate of Soviet aid is about \$2 billion per year.

Mr. EMERSON. Humanitarian?

Mr. MILLINGTON. No. The bulk of that is probably military assistance to buttress the Vietnamese military occupation of Cambodia.

Mr. EMERSON. Surely we have some general idea. I realize that you may not have the information at your fingertips, but I would appreciate it if you would provide a more detailed answer to the question in writing. I would like to know the best estimate that you can give us of Soviet assistance to the Vietnamese, and how much of that is humanitarian aid, with specific reference to the amount of food aid.

Mr. MILLINGTON. We will get that for you. Again, I think that the \$2 billion figure is approximately correct, and that at least half of that is in the form of military aid to support the occupation of Cambodia.

[The information follows.]

According to our best information, which is admittedly very soft, the Soviet Union currently provides \$3 billion worth of aid per year. Of the amount, \$2 billion is for economic assistance and the remainder military aid.

Mr. MILLINGTON. There is some humanitarian aid being provided by the Soviets.

Mr. GOMEZ. Press reports say that they are going to provide 60,000 metric tons of food.

Mr. EMERSON. What are we talking about in terms of U.S. provision if we were to make the decision to do so.

Mr. GOMEZ. We have not really faced that decision yet. What we are trying to look at is the on-ground situation in order to really know what has to be done.

Mr. MILLINGTON. I might also add that, at the current time and based on the information that is available to us from U.N. agencies and other sources, the United States does not have any intentions of proving food assistance to Vietnam. We will continue to monitor the situation.

Mr. EMERSON. I have some further questions that I will submit in writing, but I would also appreciate, in writing, those answer for questions that I asked for which you did not have detailed answers.

Chairman LELAND. The gentlemen from New York, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I regret that I had another hearing this morning and missed some of the testimony. The panelists may have responded earlier to this. Please forgive me if I am repeating.

What sort of humanitarian aid have we been giving to Vietnam and to Laos? I know that it has been very limited, but there have been a few overtures. Could you just spell out exactly what we have done in Vietnam and Laos over the last 2 or 3 years?

Mr. MILLINGTON. The United States provides no direct assistance to Vietnam.

Mr. GILMAN. I know, but there has been some humanitarian aid.

Mr. MILLINGTON. There has been some humanitarian cooperation. As you know, Mr. Congressman, the United States does cooperate with Vietnam on a number of humanitarian issues. These include POW/MIA's, orderly departure programs, Amerasians, and the released reeducation camp prisoners. It is understood that any assistance that the United States provides is to be under existing legal policy and political restraints.

Mr. GILMAN. Haven't we had some medical teams in there?

Mr. MILLINGTON. We sent in five teams just recently to look into the area of prosthetics for the disabled and to look into child disabilities. The U.S. involvement in this issue is limited strictly to encouraging and facilitating the efforts of American nongovernment agencies to address these problems.

Mr. GILMAN. Have some nongovernmental agencies now provided some medical assistance?

Mr. MILLINGTON. Nongovernmental agencies have already supplied in excess of \$100,000 for prosthetics. They are now preparing another large shipment. They are also looking into the possible refurbishment of one or two prosthetic centers in Vietnam. I must stress again that these are private efforts and that there is no involvement of the Government of the United States.

Mr. GILMAN. We don't restrict them and I guess we are actually encouraging this, correct?

Mr. MILLINGTON. Yes, we are encouraging them to address the problems of the disabled and the need for prosthetic devices. The United States maintains an embargo on all trade with Vietnam, but small-scale humanitarian efforts are specifically exempted from that embargo.

There are several voluntary agencies that are operating inside of Vietnam. As far as I know, none of them have any presence there. The Vietnamese will not allow them to have any permanent presence. They are addressing basic humanitarian needs in the specific areas of prosthetics and the care for the disabled, and we are encouraging and facilitating their efforts.

Mr. GILMAN. What about Laos? There were some grain shipments there.

Mr. MILLINGTON. On three separate occasions we have provided food aid shipments to Laos because of drought.

Mr. GILMAN. Do you know how extensive they were?

Mr. GOMEZ. The last one was 5,000 tons of rice.

Mr. GILMAN. When was that?

Mr. GOMEZ. That was last year through the World Food Program.

Mr. GILMAN. Are there any current proposals for distribution of grain to Laos?

Mr. GOMEZ. No, there are not. That was done to meet the need during a disaster there.

Mr. GILMAN. Do we provide any assistance at all to the people who are in need in Kampuchea?

Mr. MILLINGTON. Only to the 250,000 displaced Cambodians who are on the border.

Mr. GILMAN. What do we do for these 250,000 refugees?

Mr. MILLINGTON. We support the U.N. relief effort for these people. These people fled Cambodia during the Vietnamese invasion and occupation of Cambodia in 1978 and 1979. Most of them have been on the border since then because they are afraid to return to Cambodia under the current circumstances.

The United Nations has organized a relief program which tends to their basic requirements, and the United States is a major contributor to that program.

Mr. GILMAN. Do we give directly to that U.N. agency?

Mr. MILLINGTON. Yes, sir. I think it is still called UNBRO, United Nations Border Relief Organization. It is staffed primarily by the World Food Program.

Mr. GILMAN. How much did we provide to that?

Mr. MILLINGTON. I will have to get that information for you.

Mr. GILMAN. Please provide that for the committee.

Mr. Chairman, I would like to have that included in the record.

Chairman LELAND. Without objection, so ordered.

[The information follows:]

For this fiscal year, we have made \$8.1 million available to UNBRO.

Mr. GILMAN. There has been a considerable amount of discussion lately on the topic of trade with Vietnam. Some of those in the business community would like to see some of the restrictions

lifted. Do you have any recommendations with regard to trading with Vietnam?

Mr. MILLINGTON. We would oppose any change in the current embargo on trade with Vietnam. As you know, we may have no diplomatic relations with Vietnam at this time. We also maintain an economic embargo on trade with Vietnam.

We do this as a reflection of our opposition to the continuing Vietnamese occupation of Cambodia. We also feel that this type of pressure is useful as an encouragement to Vietnam to withdraw their troops from Cambodia and to seek a just settlement to the conflict there.

We see no indication that there is any movement toward a settlement at this time. Therefore, it is the administration's position that we should maintain our diplomatic and economic pressure on Vietnam.

Chairman LELAND. Will the gentleman yield?

Mr. GILMAN. I would be pleased to yield to the chairman.

Chairman LELAND. If there were an international organizational response saying that there is a problem of starvation in northern Vietnam, would the administration still hold the position that we should withhold any kind of assistance from those people because of their involvement in Cambodia?

Mr. MILLINGTON. It is the humanitarian tradition of the United States, Mr. Chairman, the United States responds to famine and disaster situation regardless of the political considerations.

Chairman LELAND. In 1983, the Congress appropriated some \$40 million for famine relief aid to Ethiopia. The President held those funds up for 6 months.

Mr. MILLINGTON. I am sorry, but I can not address that issue.

In the future, if there is convincing evidence that people's lives are in danger because of food shortages in Vietnam, the United States would be prepared to consider an appropriate response within existing legislative guidelines.

Chairman LELAND. Thank you.

I thank the gentleman for yielding.

Mr. GILMAN. I have one other question.

There is some legislation pending that deals with the release of Vietnamese assets that have been seized and held in the United States. Some members of the business community who have investments in Vietnam and claims against Vietnam are attempting to apply some part of that fund to their claims. Do you have any comment with regard to that proposal?

Mr. MILLINGTON. Yes, sir. The position of the administration regarding the legislation that calls for the vesting of the frozen Vietnamese assets was included in a letter that was sent to Congressman Fascell. I can get you a copy of that.

Basically, the administration would like to do what it can to assist those people who have had their assets wrongfully seized by foreign governments, but we believe that unilateral vesting of assets in this case may cause serious policy problems for the United States.

If I may, I will get you a copy of that letter.

Mr. GILMAN. Mr. Chairman, I ask that the letter be made part of our record.

Chairman LELAND. Without objection, so ordered.

[The letter referred to above appears at the conclusion of the hearing.]

Mr. GILMAN. How much is in that fund?

Mr. MILLINGTON. I will have to provide that later. I think it is approximately \$180 million.

Mr. GILMAN. Are those assets that are frozen here in the United States?

Mr. MILLINGTON. They were the assets that were held by the Government of South Vietnam which were frozen by the United States after the fall of Saigon. Some of those assets include U.S. moneys which had just been turned over to the Government of South Vietnam. The United States also has claims against those assets.

Mr. GILMAN. Thank you very much.

Thank you, Mr. Chairman.

Chairman LELAND. Let me thank both of you gentlemen for your participation and contributions today.

Mr. GOMEZ. Thank you, sir.

Chairman LELAND. The committee will now hear from a distinguished panel of experts on Asian issues.

Roy Williams is the director of operations, International Rescue Committee. The IRC has been actively involved in assisting the Afghan refugees in Pakistan and will take part in the effort to resettle the refugees and displaced people. Mr. Williams will give us the perspective of the IRC concerning the things that must be done to handle the expected migration of millions of people into and within Afghanistan.

Howarth Bouis is a research fellow, International Food Policy Research Institute. He is an individual who has devoted his career to the study of Philippine issues. Mr. Bouis has done extensive research on the poverty and malnutrition problems of the Philippines and has some rather sobering thoughts on what must be done to address these problems.

William Herod is the executive director of the Indochina Project, a group which closely examines Vietnamese issues and events. Mr. Herod has thoughts on the Vietnamese food emergency that he will be sharing with us today.

Gentlemen, please begin.

STATEMENT OF ROY WILLIAMS, DIRECTOR OF OPERATIONS, INTERNATIONAL RESCUE COMMITTEE, INC. (IRC)

Mr. WILLIAMS. Thank you, Mr. Chairman. Let me say that the statement that I am going to read is drafted from the perspective of an organization that works solely in terms of the humanitarian concerns of the refugees in the areas in which we work. I trust that the statement is not longer than time will allow. Please let me know if it is.

The International Rescue Committee first became involved in the situation in Pakistan in an attempt to assist the refugees who were fleeing the effects of the Soviet invasion. Our program was a small one, but it is an example of the typical IRC medical/public health program that focuses upon basic preventive medical care.

In a sense, this was a reactive program. It grew as the need grew and certainly then, no one gave much thought to doing more than responding to this need. In other words, we were not doing long-range planning in those days. We were not anticipating the return to Afghanistan of the increasing number of refugees that we were serving.

In spite of this, however, the programs naturally developed in a way that corresponded, at least in part, to the long-term needs of Afghan society. In retrospect, it is now clear that this is because the relationship with the Afghan community that we were serving was a very close one. It was not a matter of settling upon a course of action and simply imposing it upon some passive recipients. The Afghans participated actively in determining when, where, and how services would be delivered. We therefore, without being aware of it, were developing a relationship that would be useful in the long term.

For example, it became evident early on that the use of traditional birth attendants would be a boon to the program. However, in rural Afghan society it was not usual for women to work outside of their family surroundings. It was a long time before understanding on both sides enabled us to finally develop the program whereby these women could be trained and eventually serve members of their community outside of their immediate family. We should note as a background to all of this that Afghan society became more restrictive in some regard in Pakistan than it would normally have been in Afghanistan. This is not an atypical reaction for a society whose very roots have been threatened.

Another example can be drawn from our education program. It is my understanding that education for women has gone through many phases of acceptance in Afghanistan itself. This notwithstanding, one can find a rather high percentage of well educated Afghan women in a population whose overall educational level is anywhere from 10 to 15 percent, which is among the lowest in the world. Early on, we felt the need to provide education to young Afghan women. We finally succeeded in opening a school through a long and delicate process of negotiation. There are still patterns of resentment evident in some elements of the community against the school and one must feel that this is largely based upon this fundamental sense of threat to their culture.

This growing diversification of our programs followed this pattern of increasing understanding in the community. We now are involved with primary medical care, education, and income generation. Income generation naturally ties into the education program in the sense that training of, for example, construction engineers, is reinforced by their working in construction projects that actually produce income for the Afghan community—a variation of on-the-job training.

The paper that you have received in your packets summarizes the IRC programs very briefly and I won't repeat this in detail. What we are concerned with today, however, is how these programs relate to the prospect of resettlement that we are facing. I think it fair to say that in order of priority, it is most likely that medical and public health should lead the way.

We have been told by Afghan leaders that they see medical help as first priority and education close behind in the context of resettlement. It is in this regard that we feel that the extensive training of community health workers, lady home visitors and traditional birth attendants will be a key aspect of our relationships to the communities on the other side of the border. It is the role of the community health workers to go out into the community to find and bring into the clinics those refugees in need of services. They also serve as trainers to their associates in simple areas of oral rehydration therapy and sanitation. We are discussing here the basic elements of survival in developing countries.

In addition, these CHW's serve as the registrars for the community. We feel that their records of family size and composition will be the basis of the essential information needed to determine needs for food and shelter.

The basic health unit has been the mobile arm of our medical program. There are eight such units at present and we see every reason to assume that they could serve as the fundamental outreach unit.

Chairman LELAND. Mr. Williams, let me interrupt you, sir. I see that you are reading from your prepared statement. If you don't mind, and in the interest of time, perhaps you could stop here. Your full text will be entered into the record. We have looked at your full text and our questions were drawn from that. We do appreciate your testimony today.

Mr. WILLIAMS. Very good, sir. That is fine.

[The prepared statement of Mr. Williams appears at the conclusion of the hearing, see p. 126.]

Chairman LELAND. Mr. Bouis.

STATEMENT OF HOWARTH BOUIS, RESEARCH FELLOW, INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

Mr. BOUIS. The Philippines produces enough food on average to meet the caloric requirements of its population, but because of a skewed distribution of income, poor families do not have enough money to buy the sustenance that they need, despite spending 75 percent of their income on food.

In 1982, the last year of positive economic growth rates under the Marcos administration when average per capita income peaked, a nationwide nutritional survey showed that approximately 40 percent of households in the bottom half of the income distribution were consuming less than 80 percent of their recommended daily caloric intake. That was 1.6 million households of the 8 million households in the country at that time. That was a good year.

Low caloric intake leads to below-normal gains in weight and height in children. In 1982, this good year, it was estimated that 1 in 5 preschoolers were stunted which means that these children were well below the normal height for children their age. One in 10 children were wasted. Their weight was well below the norm for their height.

In October 1983, just a few months after the assassination of Benigno Aquino, the Philippine Government, unable to meet its foreign debt obligations, suspended payment. Real per capita

income decreased by 15 percent over the next 3 years. Unemployment rates rose sharply. We can safely assume that hunger is now much more widespread in the Philippines, although no nationwide nutritional survey has been undertaken since 1982.

Data from other sources suggest that now 1 in 4 Filipino preschoolers are stunted. The poor who are already malnourished are getting poorer. These are some of the dimensions of the hunger problem in the Philippines. The following are some of the causes.

First, the foreign debt has exacerbated an already serious problem. There was a \$3 billion foreign debt when Marcos declared martial law. That foreign debt has now grown to \$29 billion. A large portion of the debt is held by the Philippine Government as a consequence of loans for private commercial projects which were guaranteed by the Marcos Government and which enriched those involved, but which failed. These constitute a considerable drag on the economy's capacity for investment and growth.

Interest payments alone amount to \$2.9 billion per year, which is \$50 per year for every man, woman, and child in the Philippines. This \$50 per person can be thought of as a tax on the economy that is paid for in the form of such things as higher rice prices, reduced government services, and lower wages due to lower productivity. No one really knows, but we can only hope that persons in the bottom half of the income distribution do not have to pay a full share of this tax. For these people, \$50 is approximately one third of their total income.

A second cause of poverty is the high-population densities in the rural areas. About 10 million hectares of land are farmed each year with very little scope for expansion. If we conservatively estimate that only 1 in 3 families are directly engaged in agricultural production, this works out to one-half hectare of land for each member of a farming household.

Third, the productivity of small farmers is low. They do not have the education, know-how, and access to credit that is necessary to take advantage of more modern farming practices which could raise their incomes.

Fourth, social relations in rural areas can be characterized as feudal. Historically, the largest and wealthiest landowners have controlled local politics in the rural areas and have resisted efforts by the poor to participate in the political process in a meaningful way. Local politicians have tremendous leverage in maintaining the status quo by threatening to withhold income in various ways from those who are uncooperative, or through intimidation.

Before martial law, this type of intimidation was undertaken by what we called private armies. In the waning years of the Marcos era, these groups were called civil home defense forces. Today they are called vigilantes. This type of threat intimidates not only the poor, but also those who would otherwise be willing to educate and organize the poor within the existing political system.

Finally, what can the United States do to alleviate hunger and malnutrition in the Philippines? First and foremost, something has to be done to reduce the foreign debt. Unfortunately, the kind of incremental capital needed to service the old debt and to provide for new investment is in the range of several billions of dollars each year.

Because the numbers are so large, the mini-Marshall Plan that is being talked about for the Philippines is an important step in the right direction, in the sense that other nations are being involved so as to increase the amount of assistance that is possible. To the extent that the plan would consist of new loans to pay interest on existing debt, it merely postpones and perhaps exacerbates the problem. Therefore, the mini-Marshall Plan should be pursued in the context of write-off of the debt and grants.

In summary, let me say that if the plight of the poor is allowed to deteriorate even further, which is a distinct possibility because of the outflow of capital caused by the foreign debt, and if those poor are not absorbed into the political system in a meaningful way, the eventual outcome will almost certainly be polarization and civil war. It is economic aid, not military aid, which can prevent such an outcome. For the fragile democracy of the Philippines to be able to continue its development, the various political groupings need to be discussing the ways in which increases in income will be distributed among the populace rather than arguing about which people will have to tighten their belts even further. Thank you.

Chairman LELAND. Thank you.

[The prepared statement of Mr. Bouis appears at the conclusion of the hearing, see p. 133.]

Chairman LELAND. Mr. Herod.

STATEMENT OF WILLIAM HEROD, EXECUTIVE DIRECTOR, INDOCHINA PROJECT

Mr. HEROD. In the interest of time, I will summarize.

Let me begin by saying that the Indochina Project has very close working relationships with a number of nongovernmental organizations that are operating in the region. My comments here are based upon the trip reports and field reports of people from those organizations.

Recent visitors, including aid workers in the region, report that famine conditions, by which I mean an acute and general scarcity of food, do not now appear to exist in Vietnam. However, these observers report that the potential for famine in the very near future is possible.

Unless appropriate action is taken quickly, hundreds of thousands of persons in Vietnam could face the threat of starvation by the end of 1988. By appropriate action we mean to include internal domestic actions of the Vietnamese Government as well as external assistance. Unpredictable occurrences such as floods or typhoons could dramatically increase the magnitude of this tragedy.

Vietnam has long faced a situation of widespread and chronic borderline malnutrition throughout their country. This situation has become more critical because the level of agricultural production has not kept pace with the increase in population. The growth rate in Vietnam is estimated to be approximately 2 percent, which is the equivalent of adding a new province of more than 1 million people to the population each year. Under these circumstances even minor disruptions in agricultural production, that may be caused by weather conditions or other factors, can have an immedi-

ate and profound impact on the health and nutritional level of the population.

During the past year, Vietnam has faced a particularly troubling combination of drought, typhoons, and insect infestation. These conditions were exacerbated by the inability of farmers to secure adequate supplies of fertilizers and pesticides.

In the report quoted there is a request for food aid from the Vietnamese Government which can give us some idea of the magnitude of the problem. It talks about people in twelve provinces of northern Vietnam who are short of food. They claim that there are almost 8 million people in that category, and that 3 million of those are at the edge of starvation. Of the 3 million, 40 percent are children under age 14. Even if these figures are inflated by a factor of 2, 5, or even 10, we are still dealing with a serious problem that affects a large number of people in a concentrated area.

The international community is beginning to respond to the present situation and must consider responses to the coming situation which is certain to become more serious later this year. In preparing such responses, donors would be greatly aided by an initial needs assessment survey jointly staffed by the Vietnamese and by donor agency experts.

In the present circumstance, the World Food Program has resident staff in Vietnam who could serve this function. At a minimum, the survey team should include an agronomist to estimate yields and to identify pests and other production problems, a person who has the skill to estimate the degree and extent of malnutrition, and an experienced relief worker who is familiar with estimating food requirements and logistics in the handling and distribution of food.

In the light of the apparent need for food assistance in Vietnam today and the potentially disastrous implications of famine conditions which might logically be expected to develop there in the months ahead, the American people may be expected, and should be encouraged, to respond. A coalition of private voluntary organizations has already met with a senior representative of the Vietnamese Government in order to discuss procedures for implementing and monitoring assistance programs. Limited resources will dictate a modest response from the private sector unless these private groups can be used as a channel for U.S. Government assistance. In my view, the U.S. Government should continue to do exactly what it has been doing. The U.S. Government should monitor the situation very closely. I know that the absence of diplomatic relations between the United States and Vietnam make it impossible to monitor events as closely as we might like, but most of our allies do have embassies in Hanoi and organizations such as the World Food Program, UNICEF, UNDP, and others are present in Vietnam and are providing a continuing flow of information and observations.

In this same context I noted that the United States almost certainly has information from satellite photography which could be very helpful in the evaluation of the effects of drought, floods, or typhoons in Vietnam. This information could be very valuable to the international community in the months ahead. I hope that it will be shared.

In addition to monitoring the situation and sharing any information that the United States may have, the U.S. Government must consider an appropriate humanitarian response. Any assistance, even token assistance, would be a useful gesture and could contribute to reduction of the probability of a more serious crisis. Furthermore, assistance at this point could be supportive of pragmatic agricultural policies in Vietnam which would reduce the potential for this kind of crisis in the future.

Finally, the U.S. Government must be prepared to respond in the event that famine conditions do materialize in Vietnam later this year. Thank you.

[The prepared statement of Mr. Herod appears at the conclusion of the hearing, see p. 145.]

Chairman LELAND. Thank you all very much.

Mr. Williams, have you had an opportunity to review the U.N. appeal for the resettlement of the Afghan refugees?

Mr. WILLIAMS. Yes sir, I have.

Chairman LELAND. What is your analysis of this appeal?

Mr. WILLIAMS. I think that it is an excellent job. It shows a great deal of anticipation of the dimensions of the problem and a great deal of respect for the magnitude of it.

Chairman LELAND. Do you think that the amount of money that is requested for aid and food assistance is sufficient?

Mr. WILLIAMS. That is a very difficult question to answer because, as has been stated here earlier, the Afghans are remarkably self-reliant. They could start walking and be back in their country before we were aware of it which would make a lot of the planning irrelevant.

Chairman LELAND. I understand that perhaps the greatest unknown in the resettlement operation is the question of how quickly the refugees will return. From your experience in working with the refugees, what are your predictions of the rate in which the refugees will return?

Mr. WILLIAMS. We don't expect much movement before spring next year. It is rather late in the planting season to start now. Also, the passes close in the fall and no one can move through them then, so we don't expect much movement before spring.

Chairman LELAND. The Select Committee on Hunger has heard that there is concern that the refugees may be treated somewhat differently than the Afghans who fled their homes but did not leave the country. In your opinion, what precautions should be taken to assure that displaced people and refugees receive equal treatment?

Mr. WILLIAMS. There is a basic rule of thumb, as it were, that when you work in a community you can not very well ask someone to provide credentials that would prove where they have been. You deal with everyone exactly the same. I think that is automatic.

Chairman LELAND. Could you describe what the IRC will have to do to move its operation from Pakistan to Afghanistan? Is your experience gained by working with the refugees going to be transferable and applicable to the resettlement operation?

Mr. WILLIAMS. In a technical sense, I would say yes. However, one of the imponderables is that there have been commanders working on the other side of the border with whom we have had

very little contact. Whether those commanders and leaders see things the same way that we do is simply unknown.

Chairman LELAND. Mr. Bouis, in your prepared statement you made it quite clear that the Philippines is capable of growing enough food to feed their population, but that because of a skewed income distribution several million poor families simply do not have enough money to buy the food that they need. Is that correct?

Mr. BOUIS. In the short run, that is the problem. They are producing enough right now. In the long run, however, I think there will be a deficit in rice production. They doubled their rice yields from 1965 to 1980, going from always importing rice to being able to export rice. But they neglected to make the kinds of investments that they needed to make in the rice sector in order to continue that momentum.

It takes 5 or 6 years to see what the results will be of actions taken today. I believe that there will be a double problem in 10 or 15 years: not only will they have the a skewed income distribution, but they will also have a production problem.

Chairman LELAND. Did I correctly read your statement that there are families which spend 75 percent of their income on food?

Mr. BOUIS. Yes, sir. That is very typical. We did some surveys in 1984 and 1985 that showed that, for a sample with average per capita incomes of \$120, the average was 65 percent. Poorer households spent as much as 80 percent of their incomes on food, while richer households spent less than 65 percent.

Chairman LELAND. Then their highest priority is basic survival, correct?

Mr. BOUIS. Yes. They have to buy food and they have very little left over for anything else.

Chairman LELAND. You said that in 1982, 1 in 5 preschoolers were considered to be stunted in their growth. Today, perhaps 1 in 4 are stunted. Can these statistics be accurate?

Mr. BOUIS. Yes, sir. The 1982 survey was a well conducted probability sample of the national population. The data about the stunting today was taken from a different system, known as the nutritional surveillance system. I cannot be certain of an accurate comparison between the two, but the indication is that the ratio has increased. Income has decreased and caloric intake has decreased also.

Chairman LELAND. Can you compare that with what we know about Malaysia and Thailand?

Mr. BOUIS. No, I can't. I don't know the figures for those countries.

Chairman LELAND. Where else in Eastern Asia would we see declining nutritional levels?

Mr. BOUIS. Most of the economies in Southeast Asia are doing fairly well. I think that even though there is malnutrition in Indonesia, Thailand, and Malaysia, their economies have been doing well in contrast to the Philippines. The Philippines is really the only economy in Southeast Asia that has been doing poorly in the last 10 years or so.

Chairman LELAND. Do you think that the Aquino government is placing the priorities where they ought to in relationship to the problems that you have stated here?

Mr. BOUIS. My basic opinion is that they do not have the resources that they need to pursue a strategy. They can talk about having a strategy to do something, but they have no resources to carry it out.

Chairman LELAND. Are we doing enough to help?

Mr. BOUIS. No. We need to do something to reduce their foreign debt. Maybe I can give an example of some of the investments that were made under the Marcos regime.

The best known boondoggle is the nuclear power plant that was built in Bataan. The final cost was \$2.2 billion. It is completely built and it represents 10 percent of their debt. Nuclear experts have inspected it and said that it is unsafe for operation because of faults construction, it is near an active volcano, and three earthquake faults. President Aquino has said that she will not start up this nuclear power plant under any conditions.

According to Fortune magazine, Marcos and his cronies got \$50 million in commissions for that plant. A New York Times article said that they got \$80 million in commissions. The interest on the debt for that nuclear plant is \$350,000 per day. That is \$125 million per year, which is equal to our entire economic aid program to the Philippines. The loan for the plant came through the Export-Import Bank of the United States and the plant was built by Westinghouse, who deny that any commissions were paid.

That is an example of the kind of interest payments that the Philippines is having to make. How can they make interest payments like those and still be able to invest in new economic growth? It is simply too much of a drag on their economy. Something has to be done to reduce that debt.

Chairman LELAND. Thank you, Mr. Bouis.

Mr. Herod, before the U.S. Government will send any assistance to the people of Vietnam, the Vietnamese Government will have to provide us with assurances that the food will be delivered by nongovernmental agencies and that food distribution can be monitored. Do you feel that the Vietnamese Government will be able to provide the U.S. Government with such guarantees?

Mr. HEROD. Yes, I do. As I said earlier, American private voluntary organizations have already begun the process which could result in a situation which would permit that.

Chairman LELAND. You suggested also in your testimony that the Vietnamese Government would not allow these nongovernmental organizations to stay in Vietnam for any length of time.

Mr. HEROD. A previous speaker made that assertion.

Chairman LELAND. I'm sorry, you are correct.

Mr. HEROD. I think it was an exaggeration. In fact, none of the private voluntary organizations currently have resident staff in Vietnam. That, however, is not because we are not permitted. It is rather because we do not, at the present time, operate programs of a size that would justify resident staff. I think that we will have that soon.

Let me say quickly that there are a number of PVO's with resident staff in other parts of Indochina, specifically in Cambodia where we operate very large programs. Also, there are two American nongovernmental organization that have resident representatives in Laos. All of these people visit Vietnam quite frequently.

Chairman LELAND. Do they find any problems that are more political than bureaucratic? Maybe they are one and the same.

Mr. HEROD. There are many problems in dealing with any government. We find those problems in dealing with the Government of Vietnam just as we do in dealing with the Government of the United States. We have often been impeded in our attempts to provide humanitarian assistance to Vietnam by our own Government. There are problems there, but these are problems that NGO's work with around the world.

Chairman LELAND. Let me ask you something about the food shortages which have been estimated by the Vietnamese Government. Do you find that there is conflicting information being given?

Mr. HEROD. Yes, there is. I have discussed it myself with a senior Vietnamese official. I think that there are explanations for this, but it does add to the confusion.

The Vietnamese Government has a domestic political concern in looking at these at this kind of staggering food shortage. The twelve provinces that are most affected are surrounding the city of Hanoi. This is a densely populated area containing people who are used to a certain kind of agricultural system. There have been attempts in recent years to make some rather dramatic changes in those agricultural policies and there is some natural resistance and skepticism to those changes. The developing crisis presents very serious domestic political problems for the Vietnamese leadership. That may be one explanation.

Chairman LELAND. Very good.

I have other questions for all of you which I will submit in writing. I ask you to respond in writing, and without objection all of the questions and answers will be entered into the record.

I really appreciate your testimonies and your contributions here today, gentlemen.

This question of hunger in Asia is one that we need to continue to address. We know that there is a lot of work to be done there, and we hope to pursue this as quickly as we can. We really do appreciate your testimony today. Thank you very much for your participation.

The purpose of this hearing having been served, we will now adjourn.

[Whereupon, at 1:02 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Material submitted for inclusion in the record follows:]

PREPARED STATEMENT OF HON. F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF WISCONSIN

MR. CHAIRMAN, MANY OF MY COLLEAGUES IN BOTH HOUSES OF CONGRESS HAVE BEGUN TO INTENSIFY THE CALL FOR NORMALIZATION OF RELATIONS WITH OUR OLD NEMESIS: VIETNAM. KNOWN AS THE SOCIALIST REPUBLIC OF VIETNAM SINCE THE FALL OF SOUTHEAST ASIA TO THE COMMUNISTS, THEY HAVE ACTIVELY PURSUED ECONOMIC RELATIONS WITH THE UNITED STATES FOR 13 YEARS. IN ONE WAY OR ANOTHER, COMMUNIST VIETNAM HAS SOUGHT TO ESTABLISH AN ECONOMIC RELATIONSHIP WITH US -- FIRST, TO REBUILD THEIR WAR-TORN CITIES AND NOW TO FILL THE GAPS CREATED BY THEIR FAILED SOCIALIST ECONOMY.

THERE IS NO DOUBT VIETNAM IS EXPERIENCING A DECLINE IN FOOD PRODUCTION, CONTINUALLY GROWING POPULATION, DROUGHT CONDITIONS AND MAINTAINING AN 180,000 MAN OCCUPATION ARMY IN CAMBODIA AND ANOTHER 40,000 IN LAOS. HOWEVER, THERE SHOULD ALSO BE NO DOUBT THEY OPPRESS WORKERS, DESTROY PERSONAL INCENTIVE, PROHIBIT PRIVATE OWNERSHIP OF LAND, GROSSLY MISMANAGE THE ECONOMY, SUPPORT AN INVADING ARMY AND ARE FACED WITH AN ECONOMIC CRISIS OF THEIR OWN MAKING. WITH THOUSANDS OF ACRES OF RICE PADDIES, VIETNAM WAS ONCE KNOWN AS THE "BREAD BASKET" OF THE FAR EAST. TODAY, COMMUNIST VIETNAM CANNOT FEED ITS OWN PEOPLE. IT NEEDS THE ECONOMIES OF THE WEST, AND ESPECIALLY THE UNITED STATES, TO BAIL THEM OUT. THAT IS THEIR ONLY GOAL IN ESTABLISHING RELATIONS WITH US.

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HOWEVER, OUR GOAL IS AND SHOULD BE DIFFERENT. SINCE THE END OF OUR PARTICIPATION IN THE VIETNAM WAR, THE ISSUE OF AMERICANS MISSING AND UNACCOUNTED IN SOUTHEAST ASIA HAS REMAINED WITH US. DESPITE THE BEST EFFORTS AND IMPASSIONED PETITIONS OF AMERICANS, RANGING FROM SPECIAL PRESIDENTIAL EMISSARY GENERAL JOHN VESSEY TO MIA/POW AND VETERANS' ORGANIZATIONS ACROSS THE COUNTRY, THE COMMUNIST GOVERNMENT IN HANOI HAS ARROGANTLY RESISTED RESOLVING THIS ISSUE ONCE AND FOR ALL. WHILE SOME OF US MAY WANT TO RENEW TIES WITH VIETNAM AND EXTEND ECONOMIC ASSISTANCE, WE MUST NOT LOSE SIGHT OF OUR GOAL TO OBTAIN A FULL ACCOUNTING OF AMERICAN MIA'S IN SOUTHEAST ASIA.

MR. CHAIRMAN, THAT IS PRECISELY WHY ON MAY 25TH I INTRODUCED A SENSE OF CONGRESS RESOLUTION (H.RES. 462) WHICH WOULD PROHIBIT ANY ECONOMIC ASSISTANCE TO COMMUNIST VIETNAM. TO EXTEND ANY TYPE OF ECONOMIC ASSISTANCE TO VIETNAM AT THIS TIME, INCLUDING EMERGENCY AGRICULTURAL OR DROUGHT ASSISTANCE, WOULD BE A COMPLETE MISTAKE. MR. CHAIRMAN, THE MIA ISSUE MUST BE DEALT WITH FIRST AND SETTLED BEFORE AGREEMENTS ARE DRAWN FROM BROADER POLITICAL DISCUSSIONS.

SOME OF MY COLLEAGUES TALK ABOUT "COMPASSION", "COOPERATION" AND "PROMPT RESPONSE" TO THE SITUATION IN VIETNAM. I ASK YOU: HAVE THEY SHOWN US ANY? HAVE THEY COOPERATED WITH, SHOWN COMPASSION FOR OR TO THE GRIEF OF THE WIVES, CHILDREN AND FRIENDS OF THOSE SERVICEMEN STILL LISTED AS MISSING?

MY COLLEAGUES ALSO SPEAK ABOUT THE OVERTURES AND ASSURANCES MADE BY THE COMMUNISTS DURING CONGRESSIONAL VISITS TO HANOI. THEY HAVE CONSISTENTLY IMPLIED THEY WOULD ASSIST OUR EFFORTS TO GAIN THE FULLEST ACCOUNTING OF AMERICAN MIA'S IF FOOD ASSISTANCE WAS TO BE FORWARDED TO VIETNAM.

MR. CHAIRMAN, I DO NOT BELIEVE THEY HAVE GIVEN THE UNITED STATES ANY REASON FOR TRUST. DID THEY KEEP THEIR WORD DURING THE PARIS PEACE TALKS TO HENRY KISSINGER AND THE WORLD NOT TO INVADE SOUTH VIETNAM? PRESIDENT NIXON HAD SUGGESTED IN A LETTER TO THE CONGRESS IN 1971, A 5-YEAR \$7.5 BILLION ASSISTANCE PROGRAM TO INDOCHINA, WITH \$2.5 BILLION SPECIFICALLY EARMARKED FOR POST-WAR RECONSTRUCTION IN NORTH VIETNAM. NORTH VIETNAM BROKE ITS WORD NOT TO INVADE THE SOUTH AND WE RESPONDED BY STOPPING THE \$2.5 BILLION. SO FAR, THERE IS NO REASON TO BELIEVE THEY WOULD KEEP THEIR WORD ON HUMAN RIGHTS, CAMBODIA, AMERASIAN CHILDREN, BOAT PEOPLE, MIA'S, POW'S OR ANYTHING ELSE.

MR. CHAIRMAN, IN MANY CASES IT IS CLEARLY EVIDENT THE REMAINS EVENTUALLY RETURNED TO THE UNITED STATES HAD BEEN LOCATED AND HELD FOR YEARS. THE COMMUNIST GOVERNMENT IN VIETNAM WOULD HAVE US BELIEVE THEY OCCASIONALLY STUMBLE UPON DOWNED AIRCRAFT OR OTHERWISE FIND REMAINS. HOWEVER, IT IS WIDELY BELIEVED THAT HUNDREDS OF REMAINS HAVE BEEN STOCKPILED IN WAREHOUSES AROUND HANOI. SOME OF THOSE REMAINS COULD POSSIBLY BE FROM AMERICAN PRISONERS-OF-WAR WHO HAD DIED IN CAPTIVITY. I SIMPLY WANT TO RECOVER THOSE REMAINS THE COMMUNIST VIETNAMESE HAVE LOCATED AND DENY THEM THE OPPORTUNITY TO INDEFINITELY DRAW OUT THIS ISSUE.

I DO NOT WANT TO SEE A SITUATION DEVELOP WHERE THE COMMUNISTS BEGIN TO BARTER WITH THE REMAINS OF AMERICANS WHO SERVED FREEDOM AND MADE THE ULTIMATE SACRIFICE. IT IS NOT DIFFICULT TO IMAGINE A SCENARIO WHEN TEN YEARS DOWN THE ROAD SEVERAL DOZEN REMAINS JUST HAPPEN TO BE "FOUND" AS WE ENTER INTO DELICATE TRADE NEGOTIATIONS WITH THE VIETNAMESE.

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MR. CHAIRMAN, UNDERSTANDING THE DYNAMICS OF WARFARE, I KNOW IT MAY BE IMPOSSIBLE TO LOCATE SOME MIA'S. AND IT IS QUITE POSSIBLE SOME REMAINS WILL BE LOCATED IN THE FUTURE. THE FAMILIES OF THOSE MIA'S KNOW THIS AS WELL.

ALL OF THEM CONTINUE TO HOPE AND MOST OF THEM ARE READY TO ACCEPT THE INEVITABLE. HOWEVER, THEY CONSIDER THIS A HUMANITARIAN AND NOT A POLITICAL ISSUE. ANN MILLS GRIFFITHS, WHO IS THE EXECUTIVE DIRECTOR OF THE NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA, RECENTLY WROTE TO ME TO EXTEND HER "APPRECIATION FOR RECOGNIZING THE POTENTIAL DAMAGE OF SUCH LINKAGE." LINKAGE SENDS THE WRONG MESSAGE. WE MUST INSIST THIS IS A MORAL ISSUE -- ONE ABOUT BURYING OUR OWN DEAD -- AND DEAL WITH IT ABOVE AND OUTSIDE OTHER NEGOTIATIONS WHICH MAY BE TAKING PLACE.

MRS. GRIFFITHS WENT ON TO SAY THERE ARE "UNFORTUNATELY... NUMEROUS CONFLICTING SIGNALS EMANATING FROM THE CONGRESS AT A TIME WHEN SERIOUS EFFORTS ARE BEING MADE... IT IS OUR HOPE THAT VIETNAM WILL INCREASINGLY RECOGNIZE THEIR OWN INTERESTS ARE BEST SERVED BY MOVING QUICKLY AND FULLY TO RESOLVE THIS ISSUE... THEREBY PRE-POSITIONING THEMSELVES FOR THE FUTURE AND CONSIDERATION OF IMPROVED RELATIONS ONCE THE POLITICAL OBSTACLES ARE REMOVED."

MR. CHAIRMAN, IN CONCLUSION I WOULD LIKE TO REMIND THE COMMITTEE THAT WE HAVE HELPED THE VIETNAMESE FOR YEARS. WE HAVE ASSISTED THEM ECONOMICALLY AND POLITICALLY -- FIGHTING ALONGSIDE THEM IN THE EFFORT TO MAINTAIN DEMOCRACY AND AN ECONOMIC SYSTEM WHICH WOULD HAVE PRECLUDED THE CRISIS THEY NOW EXPERIENCE. WE HAVE MADE MANY SUCH EFFORTS AROUND THE WORLD AND THERE SHOULD BE NO DOUBT WE ARE A GENEROUS AND COMPASSIONATE PEOPLE.

TODAY, WE CONTINUE TO ASSIST THE VIETNAMESE BY GIVING REFUGE TO THOUSANDS WHO ARE FLEEING COMMUNISM. MY RESOLUTION ONLY ASKS THAT WE RESOLVE THE MIA ISSUE WHICH HAS GRIEVED US FOR YEARS BEFORE WE CONSIDER ANY FURTHER AID TO ANOTHER OPPRESSIVE AND UNSUCCESSFUL MARXIST GOVERNMENT.

A COPY OF MY RESOLUTION IS INCLUDED HERE FOR THE RECORD.

100TH CONGRESS
2D SESSION

H. RES. 462

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 1988

Mr. SENSENBRENNER submitted the following resolution; which was referred to the Committee on Foreign Affairs

RESOLUTION

Expressing the sense of the House of Representatives that the United States should not provide any agricultural commodities under the Food for Peace Act of 1966, or any other economic assistance, to the Socialist Republic of Vietnam until the Government of the Socialist Republic of Vietnam fully accounts for all members of the armed forces of the United States during the Vietnam era still listed in a missing status.

Whereas it has been more than 13 years since the conclusion of the Vietnam era;

Whereas there has yet to be a full and final accounting of all members of the armed forces of the United States during the Vietnam era listed in a missing status;

Whereas families and friends of the missing, and fellow members of the armed forces, desire to know the fate of members of the armed forces of the United States during the Vietnam era still listed in a missing status;

Whereas recent reports from the Socialist Republic of Vietnam indicate that the economy of the Socialist Republic of Vietnam is a total failure, that the Government of the Socialist Republic cannot feed their own people, and that the people of the Socialist Republic of Vietnam are among the very poorest people in the world;

Whereas agricultural commodities may not be sold or donated to the Socialist Republic of Vietnam under the Food for Peace Act of 1966, and other Acts also prohibit providing economic assistance to the Socialist Republic of Vietnam;

Whereas various individuals have suggested that the United States should end its trade embargo against the Socialist Republic of Vietnam and provide economic assistance to the Socialist Republic of Vietnam; and

Whereas the Government of the Socialist Republic of Vietnam has remained arrogantly uncooperative in assisting the United States in achieving a full and final accounting of all members of the armed forces of the United States during the Vietnam era listed in a missing status: Now, therefore, be it

RESOLVED, That, it is the sense of the House of Representatives that the United States should not provide any agricultural commodities under the Food for Peace Act of 1966, or any other economic assistance, to the Socialist Republic of Vietnam until the Government of the Socialist Republic of Vietnam fully accounts for all members of the armed forces of the United States during the Vietnam era still listed in a missing status.



NATIONAL LEAGUE OF FAMILIES
OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA

1608 K STREET, N.W., WASHINGTON, D. C. 20006 (202) 223-6246

June 3, 1988

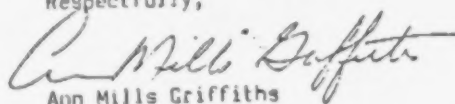
The Honorable F. James Sensenbrenner
2444 Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Sensenbrenner:

The league recently received a copy of your "Dear Colleague" on the apparent linkage by Vietnam of emergency food assistance to their ability to cooperate in resolving the POW/MIA issue. Please accept our appreciation for recognizing the potential damage of such linkage.

Your support in ensuring that such linkage does not occur is appreciated. Unfortunately, there are numerous conflicting signals emanating from the Congress at a time when serious efforts are being made to gain greater cooperation from Vietnam. It is our hope that Vietnam will increasingly recognize that their own interests are best served by moving quickly and fully to resolve this issue of national concern, thereby pre-positioning themselves for the future and consideration of improved relations once the political obstacles are removed.

Respectfully,


Ann Mills Griffiths
Executive Director

AMG/mag

PREPARED STATEMENT OF HON. BILL EMERSON, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF MISSOURI

I welcome our witnesses to this hearing, especially Rep. Sensenbrenner and Sen. Pressler. It is always a pleasure to have other Members appear before this Committee.

Today's hearing will focus on three Asian countries--Afghanistan, the Philippines, and Vietnam. We are all watching developments in Afghanistan with considerable interest. For eight years the resistance forces have defended themselves from a vicious Soviet invasion. They have seen their farms and villages destroyed. Over five million Afghans have been driven from the country, while millions others are internal refugees. Food production has declined by as much as 50 percent, and most of the sheep and livestock have been lost.

Now, after eight years of occupation and war, it appears that the Soviet army is leaving Afghanistan. The country, however, will be a shattered shell of an already poor country. Irrigation systems have been destroyed, and orchards have been deliberately cut down. It will take years and billions of dollars to even begin to repair the damage.

For several years the United States has provided assistance to refugees in Pakistan and operated a major cross-border operation providing humanitarian aid to Afghans inside their country. I will be interested in hearing from our witnesses about plans for the anticipated return of refugees and the rehabilitation of the country.

The Philippines, as we all know, are facing serious problems.

1. Bad economic policies, corruption, poor terms of trade, the cost of fighting a communist insurgency, and a high birth rate have all taken their toll. Real per capita income has declined since 1981, and is not expected to recover until 1991.

Overall food supply in the Philippines is sufficient to meet the aggregate needs of the population, but there is a disparity in purchasing power between the rich and poor. About three-fifths of the population live below the official poverty line of \$120 per month for a family of six. The Committee would be interested in hearing about what is being done to help this important U.S. ally.

There have been reports in the press that Vietnam is facing a food shortage. It is strange how this Committee is continually dealing with Communist countries who cannot feed themselves--whether it is in Ethiopia, Angola, or Nicaragua. The Vietnamese publicly blame the weather, just as their Russian masters have been complaining about bad weather for the past 70 years. It appears however, that Marxist policies and communist wars have destroyed yet another economy.

Questions have been raised about the nature of the problem in Vietnam and the ability, even the responsibility, of the United States to respond. No independent assessment of the situation has been made, and there is a total U.S. trade embargo against Vietnam. The continued occupation of Cambodia and the failure of Vietnam to return American servicemen missing in action raises real questions about the propriety of American taxpayers being asked to send any kind of assistance to Vietnam under current circumstances.

Finally, Mr. Chairman, I cannot help but noticing that over six

weeks have passed since almost all the Minority Members of this Committee sent a letter to you requesting a hearing devoted to the current crisis in Ethiopia. With two or three million people threatened with starvation, I would think that the Select Committee on Hunger, more than any other Committee in the entire Congress, would be doing everything possible to bring attention and world pressure to bear against the Mengistu regime which is committing this genocide. Unfortunately, no hearing has been held--we have not even received a response to our letter.

Earlier this week Assistant Secretary of State Richard Williamson published a newspaper article denouncing the "Shame of Silence on Ethiopia." I hope the same accusation will not apply much longer to the Select Committee on Hunger.

[From the Washington Times, June 14, 1988]

RICHARD WILLIAMSON

The Economic and Social Council of the United Nations is second only to the General Assembly in the range of issues it must examine and on which members must have views. Its oversight role has made the ECOSOC into a major international forum for the discussion of the principal themes of our time: those of violence and peace, death and life, suffering and triumph.

The nations represented are all signatories of the U.N. Charter. As such, we have voluntarily assumed a responsibility to advocate the values embodied in the Charter's Preamble and in Article I of Chapter I of the charter. It is our duty to stand up for these values and to call for actions which reflect the moral authority of this great organization. We must never leave ourselves open to the charge of silence.

In 1987, the United States went before the U.N. Commission on Hu-

A shame of silence on Ethiopia?

man Rights in an effort to get that august body to take a stand on the situation in Ethiopia. Unfortunately for the people of Ethiopia, politics prevailed and the commission refused to act. And sadly, subsequent events have shown that the commission will never know how many could have been saved had the commission acted at that time or how many were, in fact, saved merely by our raising the issue.

Once again we come before a body of the United Nations to plead for the people of Ethiopia. Our task is to call attention to the fact that the United States and its members must face the issue of whether to remain mute and blind in the presence of actions which starve an innocent population.

Put bluntly, a body of the United Nations must face the issue of whether human lives are more valuable than narrow political interests. We have no doubt about our answer. We do not know what the answer of the world community should be.

Richard S. Williamson is assistant secretary of state for international affairs. The article is excerpted from a recent address to the Economic and Social Council of the United Nations.

supplies and experienced personnel, to avert mass starvation in Ethiopia. Yet, that same government which a few months ago came before the world seeking assistance now refuses to allow the United Nations to reach its people. It chafes at the security of expatriate relief workers. These concerns are not shared by most of those workers; they are willing to resume their relief efforts regardless of personal risk.

We take the step of raising this issue because we have never approached Ethiopia. We have been in touch with the regime's allies. We have supported strongly the efforts made by the United Nations to clarify and rectify the situation in Ethiopia, in particular during the U.N. Under-Secretary-General's visit in April. Important first steps have been taken, but much more must be done.

This body should not permit yet another sad chapter to be added to the history of our time. We should register — for all to hear and act upon — that we have not forgotten the people of Ethiopia. At the very least, the bare minimum, to which the people of Ethiopia are entitled.

foundly moral issue. We must speak out against — and try to stop — this horrible atrocity by the belligerent governments. We must demand that the U.N. Charter and to civilization itself.

The apparent willingness of the Ethiopian government to allow innocent civilians to starve has an impact beyond Ethiopia's borders. It threatens the lives of other Africans and the stability of the entire region.

A new bout of starvation in northern Ethiopia could produce a mass exodus of refugees seeking food in neighboring countries. The United Nations should not forget the enormous burden placed on the people and government of Sudan during the famine of 1984-1985. Without a resumption of unhindered food deliveries in the north, hundreds of thousands of Ethiopians might have to flee again. Many may die in the process.

The great irony is that the international community is choosing the national path, is ready this time, with adequate stocks of food,

very real prospect of starvation. We must speak out against this crime. We must demand that the U.N. Charter and to civilization itself. Military actions by both sides, compounded by misguided government decisions, have affected delivery systems, the number of people under government control, and the ability of relief organizations to operate.

My government is motivated strictly by humanitarian concern for the people of Ethiopia. The United States has consistently demonstrated its concern for the people of Ethiopia. We are the largest donor of relief assistance to the people of Ethiopia and cannot quietly condone a tragedy of this magnitude.

While fully reliable information about what is actually happening in Ethiopia is limited — and uncertainty is itself one of our greatest causes for consternation — we do believe the following: The people at risk, only about 850,000, are being starved. That contrasts with almost 2 million who were being fed in February this year. The remainder face a

PREPARED STATEMENT OF SENATOR LARRY PRESSLER, A U.S. SENATOR FROM THE
STATE OF SOUTH DAKOTA

Mr. Chairman, I very much appreciate this opportunity to say a few words about the food situation in Vietnam. You were most kind and gracious to invite me to speak here today.

As many of the members of this Committee know, I visited Vietnam during the Congressional Easter Recess in April this year. I traveled to Hanoi, Ho Chi Minh City and My Tho, the capital of Tien Giang Province south of Ho Chi Minh City. In each part of the country, I was interested to learn about the food production, marketing and distribution system, especially regarding any evidence of food shortages or malnutrition.

Vietnamese officials commented freely and openly on the extent of the country's rice production shortfall earlier this year. They attributed the shortfall, which was estimated at 1.6 to 3 million tons below self-sufficiency levels, to several factors:

- (1) Natural calamities: The official Vietnamese view is that droughts and other disasters were the most important cause of the decline in food production in 1986, 1987 and 1988.
- (2) Fertilizer and pesticide shortages.
- (3) Tractor fuel and buffalo shortages.
- (4) Overcentralization of agricultural management.
- (5) Illogical state food pricing policies.
- (6) Excessive emphasis on state collective farms--not enough emphasis on small cooperatives and private farms.
- (7) Inadequate hard currency reserves for the purchasing of agricultural inputs.
- (8) Transportation infrastructure deficiencies.
- (9) Deterioration of irrigation works.

The official Vietnamese position is that natural calamities, especially droughts, are most responsible for the failure to produce enough food. However, I was struck by the fact

that, once this position had been stated very briefly, Vietnamese officials talked at great length about the other factors I have just mentioned. In their eyes, various agricultural input shortages, such as fertilizer, insecticides, fuel for farm vehicles, and farm draft animals were next in importance.

This view was echoed by non-officials with whom I spoke while driving through Mekong Delta farmland en route to My Tho. In one instance, I questioned at some length a Vietnamese woman who was supervising the the threshing of rice in a field she owned. She very animatedly described the shortage and low quality of the Eastern European and Soviet fertilizers and insecticides available to her and other farmers. It was apparent from the tractor-powered equipment her threshing crew was using that Vietnamese farmers have some ingenuity in devising "baling wire" fixes for broken parts that cannot be replaced. The tractor itself, for example, had broken up tires that must have been at

least 20 years old. Those tires were meticulously wrapped with rope to keep them in one piece.

In another instance, I asked a farmer to demonstrate the operation of a very small motor pump--probably 1.5 horsepower--that was used to pump water from irrigation channels onto fields. A large crowd of his neighbors gathered to watch with us as he made several failed attempts to start his 20-year-old Kohler motor pump. Incidentally, I spoke on the Senate floor recently about this event and the origin of such pumps in a U.S. assistance program in the 1960s. With your permission, Mr. Chairman, I would ask that my two floor statements on this matter be included in your hearing record.

In any event, the pump--which was missing its gas tank and a few other parts--was started and it did a remarkably good job of lifting a large volume of water several feet up from the channel into a field. The missing gas tank had been replaced by a soda bottle with a siphon tube down to the

carburetor. Although one man had to be assigned to holding up the soda bottle/gas tank while the pump was running, that one small pump probably saves the energy of many people lifting and pouring water by hand. Later, I had quite a lengthy discussion with a provincial government official in My Tho regarding the need for more "low tech" farming equipment of this type. Apparently, scarce foreign exchange reserves and the relatively high price of Japanese-made pumps that are larger than these little Kohler pumps make it difficult to supply farmers with newer equipment.

My discussion with the woman farmer in her own rice field illustrated another dimension of the Vietnamese agricultural problem. She said that the crop then being harvested was the last to be controlled by the old government pricing system. While she was careful to avoid criticizing the government for its illogical pricing system that gave producers little incentive to do their best, her enthusiasm for

the new policy that would affect her next crop was very obvious. Unless the government reneges, she expects to harvest her next rice crop under more of a supply/demand system that will encourage her to work harder to produce a larger crop with the prospect of a greater profit staying in her family's bank account. Nothing is more appealing to people who are willing to work hard than the possibility of just rewards for their diligence.

Vietnamese officials from the Minister of Foreign Affairs Nguyen Co Thach on down were very candid in stating that the collective farm approach had failed, that small producer cooperatives needed to be organized better, and that, in Thach's words, "Our old method has brought us to the brink of catastrophe." He also told me, "We learned too late that in agriculture we need small enterprises. Our peasants in collective farms became bureaucrats--they went to the fields at 8:00 a.m., like office workers. Now they go early with their wives and children to work on their private contract land." In

commenting on his government's gross mismanagement of the Vietnamese economy in the industrial sector, he said, "Instead of cooking a meal, we used the fire to burn down our house." Although all land is considered the property of the state, the government now claims that 40 percent of the land usage is in private hands, with the remainder under the control of cooperatives. In place of government price-fixing on agricultural products, farmers under the new policy will be free of government-imposed pricing and instead will pay rent for the land they use, plus a production tax. It is unclear at this point how onerous or reasonable the rents and production taxes will be.

One Vietnamese official, Vu Khoan, indicated that agricultural investments would be concentrated in the rich Mekong Delta region. He also said that Vietnamese farmers increasingly would plant corn and rely on improved seed varieties derived from the work and assistance of the Philippines Rice Institute and various international

organizations, as well as individual nations.

My visit to the food markets of Ho Chi Minh City, on which I did some research when I served there 20 years ago, also indicated the disastrous consequences of past policies and the determination of officials, farmers, retailers and consumers alike to rely more on market forces to determine prices. Instead of the government determining prices for food based on elaborate, bureaucratically contrived indexes, private food retailers with whom I spoke in the Cholon Great Market and in a nearby vegetable market were very pleased with the new system of letting buyers and sellers determine their own prices. Although the government still oversees the overall management of these markets and collects rents and taxes, this system seemed to be much preferred over the price-fixing system.

Having surveyed the causes of Vietnam's current food predicament, I shall turn now to describing what I know about the dimensions of the current problem. I must confess

that hard evidence of hunger and malnutrition was not obtainable during my short visit. Perhaps other witnesses here today can provide better information on this. However, in response to my questions, Vietnamese officials indicated that child malnutrition was "quite serious" in central Vietnam, in the highlands, and in densely populated industrial centers. They said there were no deaths due to famine, but definite food shortages existed. Some officials believe that peasants or farmers are hoarding food. Urban residents of Ho Chi Minh City are, in fact, hoarding food, based on private conversations I had in that city. Yet this seems to be more of a reaction to rampant inflation than a fear of impending food shortages. When the Vietnamese currency inflates 30 percent in one week, as it did during the short time I was there, consumers try to protect themselves from future inflation by buying basic goods now.

The most disturbing testimony I heard came from a United Nations official with whom I met privately. This official

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had traveled to remote rural areas and into the highlands. The official indicated that many babies were being born severely underweight in many of these areas. This is a certain indicator of malnourishment of the mothers. The official also expressed the opinion that casual observation of the physical condition of residents in these areas suggested malnutrition was an increasingly common problem.

As you know, on May 12th, about one month after I visited Vietnam, Vietnamese officials announced that more than three million Vietnamese "are at the edge of starvation," and appealed for emergency aid. They indicated that nearly eight million people in twelve northern provinces--including the city of Hanoi--are "seriously short of food." Rice prices, which had doubled in 1987, doubled again between March and May of this year. Other reports from foreign visitors to Vietnam confirm that the problem is serious. I would stress that my personal observations indicate the general economic situation is much worse in the north than in the south. An

official of the International Monetary Fund has substantiated the latter observation.

I believe that Vietnam has a serious problem of food shortage and faces an increasing danger of malnutrition, if not widespread starvation of the kind that has ravaged Ethiopia and other African countries in recent years. The IMF has documented a decline in per capita food production in Vietnam over the past two years. Objective observers have reported severely underweight babies being born. The question now is what should we Americans do about the Vietnamese food problem, if anything?

It seems to me that, given the perennially large U.S. grain surplus situation, our nation should be generous with its bounty. We can afford to share our surplus of food with all people who are genuinely in need. It is cheaper for us to give our surplus grain away than to store it here in the U.S. For those who are alarmed over the prospect of sending free food to Communist nations, let me point out that we already

do so with respect to Poland. The food does not go to the Communist government of Poland. It goes to the Polish people, through the distribution system of private voluntary organizations.

Some argue that the U.S. policy of isolating Vietnam finally has worked. They say, "We now have their backs against the wall and we should not let them move away from it until they get out of Cambodia and return all MIAs." I think this response to the humanitarian needs of people living in Vietnam--whatever the ideology of their government--is wrong. In the first place, the disastrous failures of Communist economic policy are the principal cause of Vietnam's current catastrophe. The next most important reason for the current situation is the squandering of enormous Vietnamese and Soviet resources on the occupation of Cambodia. U.S. policies certainly have worked to isolate Vietnam and prevent it from benefiting from participation in the international economy. But, what I have

- 13 -

seen of Vietnam's policies suggests that the Vietnamese Communists would have created the current disaster even without our efforts to deny them greater access to the international community. It is encouraging that they seem to have learned their lesson and are moving toward market-driven economic policies.

It is time to reconsider our policies in this area of the world. That is why I am a cosponsor of Senator Hatfield's resolution urging disaster food assistance to Vietnam. Perhaps the dimensions of the food shortage need to be examined in somewhat more depth so that our response to the appeal for aid is appropriate. After all, there are many demands for U.S. assistance, and we cannot possibly meet them all. It is my understanding that a United Nations team will soon complete a thorough field survey of the food situation in Vietnam.

If a compassionate gesture at this point in time can encourage the Vietnamese government to accelerate its

current policy momentum--toward a more open economy and out of Cambodia--then it would be a gesture well worth taking. Our current policy is isolating ourselves from greater opportunities to resolve the Vietnamese policies of most concern to Americans--speeding up the resolution of MIA cases, expediting the immigration of Amerasians to the U.S. and of other refugees to the U.S. and other nations, and perhaps ending the impetus to migrate among "economic" refugees.

Should the Administration decide sometime this year that limited U.S. food assistance to Vietnam should be undertaken, I would recommend that this include wheat and corn rather than rice. In Vietnam, over 90 percent of food crop production consists of rice. If large amounts of rice were given to the Vietnamese, this could disrupt the rice economy of that country. The Vietnamese like bread made from wheat. Hungry people who already have acquired a taste for bread, wheat and corn products would welcome

these highly nutritious food grains. Shipping large amounts of rice to Vietnam could have the undesirable effect of depressing rice prices and the incomes of rice farmers.

I have confidence in the ability of the Vietnamese people to overcome the current food deficit situation. They are industrious and talented. They are now in a crisis. We can help them through this temporary crisis and perhaps contribute to our own long-term goals in the process. Or we can let others do the job. If we pursue the latter, easier course, we will forsake whatever benefit or good will that might arise from this modest humanitarian act.

Thank you, Mr. Chairman, and all members of this distinguished Committee, for the opportunity to address you today.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, SECOND SESSION

Vol. 134

WASHINGTON, MONDAY, MAY 23, 1988

No. 73

Senate

VIETNAMESE MOTOR PUMPS DEMONSTRATE APPROPRIATE DEVELOPMENT TECHNOLOGY

MR. PRESSLER: Mr. President, last month I spoke to our distinguished colleagues about a successful U.S. development project that occurred during the 1960s in Vietnam. The project involved the distribution of about 500,000 motor pumps in South Vietnam. During my April visit to Vietnam, I was amazed to see some of these old pumps still in operation and to learn they have been taken to other areas of Vietnam. They are used for irrigation.

I cited this as an example of a fairly modest, relatively low-cost development program working much better and producing longer lasting results than more massive, costly projects.

Recently I received some additional information on the motor pump distribution program in Vietnam.

According to a letter sent to me by Barbara Crossette, a journalist with the New York Times who provides excellent coverage of Vietnam and other areas of Southeast Asia, and who accompanied me during my April visit to Vietnam, the French word for Kohler has entered the Vietnamese language as a generic term for motor pumps.

She further reports that many of the pumps which were distributed in South Vietnam in the 1960s later were taken to the Central Highlands and North Vietnam following the fall of Saigon.

Indeed, the discovery that the word Kohler had been absorbed into the Vietnamese language came when she and her assistant, Mrs. Hao, were looking through some Vietnamese contemporary literature, some plays and short stories that had been written about the government and the intellectual ferment that is occurring in South Vietnam.

In some of the short stories, the word Kohler has come to mean a 2 or 3 horsepower waterpump used for both irrigation, for pumping water out of the well, and also for driving a sampan, a small Vietnamese boat.

Mr. President, all of this is testimony to the powerfulness of the small and seemingly insignificant. Indeed, the

United States did carry out many grandiose projects in Vietnam. There were projects to build huge buildings and to start industries. There was a CORDS Program to revitalize the economy through massive injections of money and other things into the Vietnamese economy.

Strangely enough, a small economic development project remains visible there. I saw some of the Kohler pumps still working. I think there is a lesson in this as we try to help other countries: Sometimes small is beautiful. Sometimes the small economic development projects, a loan of \$500 to a fisherman to improve his boat or a motor pump project or something of that sort, has a much longer term economic impact on a country than some of these grandiose projects, such as building an airport, or a paper mill or something of that sort which is abandoned later on or maybe competes with some of our own industries.

Mr. President, the livelihood of many Vietnamese was affected by very small Kohler and other motor pumps. They still affect many lives in Vietnam. This is especially important to note in the context of the current food shortage in Vietnam.

In the words of the scholar, Ernest F. Schumacher, "small is beautiful" in terms of economic growth and development. Schumacher's landmark work, "Small Is Beautiful: Economics As If People Mattered," inspired many to consider more innovative development strategies that would fit more realistically with the actual conditions prevalent in most developing nations.

Instead of taking a high-technology capital-intensive approach to development, he argued that developmental strategies or programs should employ a labor-intensive intermediate technology approach. The basis of Schumacher's thesis was that developing nations, such as India, possessed little capital but a wealth of labor. Expensive and sophisticated high-technology short-cuts to development would not work in such situations. It is better, he wrote, to put into the hands of rural villagers, farmers or peasants technology of a simpler

kind that could have an immediate or lasting impact on their livelihood and well-being.

Since the publication of Schumacher's book in 1973, the trend toward smaller scale development projects has escalated rapidly. There is less emphasis today in U.S. development programs on the large projects, such as airports and steel plants, that seem to have predominated in the 1950s and early 1960s. This is a credit not only to Schumacher, but also to thousands of dedicated development economists, theorists and program administrators, as well as domestic groups and associations, such as Bread for the World, Results and others.

The World Bank reportedly still emphasizes the large-scale projects, such as irrigation works, but even it has shifted many of its resources to projects that are of immediate benefit to the poorest of the poor in developing countries.

Mr. President, recently I had a chance to listen to former President Jimmy Carter who now has a foundation and is working on economic development in Africa. As I understand his project from a speech he gave recently, his group initiates relatively modest economic development projects. It helps people get started helping themselves. The result is not grandiose, but may be considered by some economic planners as small.

It makes a permanent economic development contribution to a country in Africa. I do not think we are paying enough attention to Africa, but I was heartened to hear of a former President of the United States working and focusing on these projects. I believe such efforts fall within Schumacher's small is beautiful thesis.

Mr. President, in conclusion, targeting smaller scale lower technology assistance to the poorest members of developing nations seems to work best and have the most permanent effect.

Assistance for big projects is needed, but in this era of budgetary restraint it might be preferable to emphasize smaller, more appropriate technology that offers desirable assistance at more modest cost.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, SECOND SESSION

Vol. 134

WASHINGTON, FRIDAY, APRIL 15, 1988

No. 48

VIETNAM REVISITED

Mr. PRESSLER. Mr. President, I have just returned from Vietnam where I spent the Easter recess. I was accompanied by professional staff members of the Foreign Relations Committee, of which I am a member; a New York Times reporter, Barbara Crossette; and a local CBS affiliate TV crew, KELO-TV.

One of those accompanying me was Pho Ba Long, now an American citizen and a professor of Georgetown University. I first met Pho Ba Long 21 years ago in Dalat, Vietnam, and we have been friends since.

The purpose of our trip was to look into the missing-in-action problem, the Amerasian problem, economic development, and also to visit some of the areas in which I served in the Army in Vietnam 21 years ago.

As I have reported earlier, I found the economic conditions in Vietnam worse than they were in 1967-68. There are fewer motorized vehicles. There are food shortages in the country. Indeed, babies are being born 1 to 2 pounds lighter than normal because of those food shortages.

Twenty-one years ago I wrote a memo while serving in Vietnam entitled "Motor Pump Permits in Dinh-Tuong Province."

The new Vietnamese Government changed the name to Tien Giang Province. I believe we may have been the first Americans to be in that area in 15 years.

American motor pumps that were delivered 21 years ago are still working in that province. These Kohler motor pumps were used for irrigation and driving sampans. There are also Briggs & Stratton motor pumps and Clinton motor pumps still in operation.

The point is, these pumps were part of a small United States AID economic development project, delivered primarily by the Army under the so-called pacification of that time in Vietnam.

Too often our USAID projects or economic development projects are grandiose—huge loans, huge grants to build big showcase-type things.

This was also true in Vietnam, but many of those grandiose projects have disappeared. But still remaining are the small economic development projects. During the 1960's, the United States was trying to win the hearts and minds of the Vietnamese people through the Pacification Program and the CORDS Program. About 1967 or 1968, that effort was largely turned over to the military, or at least the military became involved in the development teams, and I served as a second lieutenant and first lieutenant in the U.S. Army at that time.

I think there is a lesson in this for our aid to other countries. In the 1950's, 1960's, and 1970's we believed we could help these lesser developed countries with large-scale USAID projects. These efforts largely have been frustrated. Some of those countries have slipped backward rather than going forward and the reason, I believe, is that we have overemphasized big, visible projects, such as airports, big factories or big processing plants of one kind or another, sometimes competing against our own agriculture and industry.

The small economic development projects, such as the small irrigation pumps, still remain in Vietnam 21 years later even though there is a new

government. They are still helping people, and the United States is remembered favorably for it, and this is true throughout the developing world, I believe.

At this time of budgetary deficits I think that our aid to other countries should rely more on the small-is-beautiful concept and focus on local grassroots economic development in villages and farms rather than on large-scale industry projects that cost so much money.

I shall have further things to say regarding the results of my thinking on economic development in the Foreign Relations Committee on which I serve when we mark up the next foreign aid authorization bill.

Mr. President, I ask unanimous consent to have printed in the Record a memo I wrote and published on April 20, 1967, entitled "Motor Pump Permits in Dinh-Tuong Province."

There being no objection, the material was ordered to be printed in the Record, as follows:

MOTOR PUMP PERMITS IN DINH-TUONG PROVINCE

1. The purpose of this report is to outline the process through which a Vietnamese farmer in Dinh-Tuong province obtains permission from his government to purchase a motor pump to be used in irrigation, and to suggest ways by which the process might be simplified. The report is based on interviews of farmers, merchants, repair shop keepers, and government officials in Dinh-Tuong province in April 1967. The interviewing was done by three Vietnamese graduate students and this writer.

2. The present process of obtaining permission to purchase a motor pump is very lengthy and a source of great irritation and frustration to farmers and merchants. It represents a classic example of the large amount of red tape that has crept into everyday Vietnamese business transactions. In this writer's opinion, the best approach to the problem is to take a product by product approach, or a business by business approach, and determine what restrictions and red tape does exist, and which of these are really necessary. USAID should counsel the GVN to eliminate the unnecessary portions. Taking a product by product approach is slow, but it is better than not moving at all.

3. The type of motor pump under discussion usually consists of a four or five horsepower imported motor and of a pump built in Viet-Nam. The motors are imported to Viet-Nam under the Commodity Import Program. Kohler, Clinton, and Briggs & Stratton are the most popular brands. The motor pumps are used for irrigation—usually to lift water out of a canal into a farmer's field. There were 9,643 motor pumps sold in Dinh-Tuong Province in 1965 and 10,581 sold in 1966. A four horsepower motor usually costs a farmer about 9,500 piasters.

4. There is some renting of motor pumps, but since their use is seasonal and just during those portions of each month when the tides are up, farmers have a great desire to own their own pump so they can pump when water is in without having to chance not being able to rent. Four or five horsepower motor pumps rent for fifty to seventy piasters per hour.

5. The large scale use of motor pumps for irrigation has developed over the past three years in Dinh-Tuong Province. Prior to this, farmers did not usually pump water, and if they did, it was by manually operated pumps. There are now twenty-three licensed motor pump sellers in the province plus a number of small repair shops. The technical high school of the province specializes in the repair of motors and pumps. It turns out one hundred graduates per year.

6. Most of the motors are used strictly for irrigation. However, they can easily be converted for use on a sampan. And a regular sampan motor driver can be converted into an irrigation pump by reversing the rotor and putting a sleeve over the drive shaft. See illustration below.

The easy convertibility of a motor sampan driver to a pump and back, and the fact that any four-five horsepower motor can be used on a sampan, gives them a significant military value in moving men or supplies by water.

PROCESS THROUGH WHICH A FARMER OBTAINS PERMISSION TO PURCHASE A MOTOR PUMP IN DINH-TUONG PROVINCE

A. Farmer visits merchant(s). He decides which motor pump he wants and from whom he wishes to purchase it.

B. The farmer obtains two standard government application forms. One form requires him to tell why he needs the motor pump and where he intends to use it. The other form requires him to describe his means of transporting the pump. He must have two copies of each form.

C. The farmer goes to his Village Chief and receives stamp and signature approval of the application. If the farmer lives in an insecure or semi-insecure area, it is usually necessary for the Village Chief to write him a letter of character reference.

D. The farmer hand-carries the four copies to the district headquarters. He could mail them or send them by messenger, but to speed things up, he usually hand-carries. The District Economic Office and the District Security Police must stamp and sign all copies. The District Security Police are supposed to investigate the political activities of the farmer, but in fact, they seldom do because their staff is too small to do much besides signing and stamping applications. Although the whole process is supposed to be free, the farmer is expected to pay a 300 to 500 piaster "tip" or "bribe" privately to district officials if he wants fast service. During rush times of the year when many farmers are trying to buy motor pumps, this "tip" goes up to around 1,000 piasters if the farmer wants service within a week. At one district headquarters, we found some applications that were five weeks old and yet untouched. Apparently those farmers did not come across with a sufficient "tip".

E. If the pump motor is over five horsepower, the farmer must take the documents to the province headquarters for approval. At province headquarters it must be approved by the economic section and by the Deputy Chief of Province in charge of Military Affairs.

F. The farmer goes back to the merchant and the merchant sends his transportation permission application to the local police chief to be recorded and stamped. If the merchant's relations with the local police are good, the paper can be stamped in a matter of a few hours.

G. When this is complete, the farmer pays for his motor pump and goes home. He keeps one copy of the documents and if his ownership is ever challenged, he must produce them.

In addition to the regulations governing purchase, there are limitations on transporting a motor pump. If at some future time the farmer wishes to transport his pump from one province to another, he must get written permission at village, district and province level in his own province and permission at province level in the province to which he intends to ship.

REASONS FOR THE REGULATIONS AND THEIR EFFECTIVENESS

1. The main reason put forth for the regulations by every government official we interviewed was to keep motor pumps out of Viet-Cong hands. The Viet-Cong, it is contended, have a great need for motors to use on sampans, generators, and other small power driven equipment.

The fallacy to this thinking is that if the VC desire to procure motors, they would probably not try to purchase them. As one driver on almost any road in Dinh-Tuong Province, he can see three or four motors working in the adjacent fields. There are so many motors around that if the VC wish to "borrow" some for an operation, they would have little trouble. In this writer's opinion it is highly doubtful that the VC procure motors by purchasing them.

The regulation system also seems to assure that there are two economies—a VC economy and a non-VC economy. As Bob Samson has pointed out, this might be true in only five or six districts in the entire delta. But most of the delta is far to "grey" to draw black and white VC membership. We looked at one farmer's rejected application for purchasing a motor pump the Ben-Tranh District Headquarters in the town of Tan-Hiep. Written on the application was a note saying that since the farmer lived in an insecure area, he should not have a pump. The assistant district chief told us that the man had some friends who were thought to be VC. There was no proof that the man himself was a VC. The district security police, or district economic office—both of whose employees rarely leave their office—can hardly discover who is VC and who is not. Even if they tried they would not have a sufficient staff.

2. Another argument put forth in support of the system is that if a farmer has his approved papers, he is safe from having his motor confiscated by allied or GVN forces. It would seem that a simple title of ownership or receipt should serve as well.

3. A third argument for the system is that it prevents a black market for motor pumps by keeping tight control of all motors. To the contrary, it appears that the system encourages a black market. If a man wants a motor pump and is denied permission, he will probably seek other means to obtain it. Mr. Le-Van-Be, head of the Le-Hung shop, the largest motor pump distributor in the province said that during the season when farmers need water for their crops, he is frequently approached by those whose applications have not been approved to somehow obtain use of a pump. He said he sympathizes with them and always tries to help them, although he did not say exactly how. We interviewed six motor pump dealers and all said their main problem was the regulation process. Most of them suggested that approval by the village chief would be sufficient.

CONCLUSION

It appears that it would be wise for USAID to counsel the GVN Commissioner for Administration to eliminate most of the motor pump application procedure. Approval of an application by the village chief should be enough, if even that is necessary. The present system does not sort out VC. It does, however, give a most negative image of the government the farmer is told his son must fight for.

The original decree requiring the authorization dates back to 1962. It has been revised and changed on several occasions since. It was administered by the Ministry of Interior until the past year when it was turned over to the GVN Commissioner for Administration.

A first step in resolving the problem might be for the Associate Director for Development, USAID, to discuss the matter with the Commissioner for Administration and to recommend that as much of the procedure be eliminated as possible. The recommendation might be more specific, e.g., that the district headquarters and the police be eliminated entirely from the process, leaving only the village chief to sign off.

Mr. PRESSLER. Mr. President, the memo described the process by which Vietnamese farmers got permission to buy a motor pump and the bureaucracy that existed at that time. The process was felt necessary because of the security problems back then, the fear that the motors would fall into the hands of the Viet Cong, who might use them to power sampans, and so forth. I might report that the bureaucracy and paperwork largely have been removed by the new government, but there are no pumps for sale. They have no foreign currency to bring them into the country. They do not have an aid program to bring them in.

The available pumps are made in Japan. They are priced at the equivalent of \$450. So no one can afford to buy them.

The Vietnamese peasants continue to rely on the older American pumps—Kohler, Clinton, and Briggs & Stratton pumps. You can see them working in the Mekong Delta of Vietnam 21 years later.

This is an example of one U.S. aid project that worked and is still working. It was one of the least costly aid programs and it proves that in foreign aid small is beautiful and effective.

Mr. President, I yield back the remainder of my time.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 100th CONGRESS, SECOND SESSION

Vol. 134

WASHINGTON, MONDAY, JUNE 6, 1988

No. 81

RE-EXAMINATION OF OUR RELATIONSHIP WITH VIETNAM

Mr. SIMON. Mr. President, I rise as a result of having read an article on the New York Times editorial page by our colleague, Senator LARRY PRESSLER, in which he calls for re-examination of our relationship with Vietnam.

Senator PRESSLER served in the Army in Vietnam. It is interesting that another Member of this body, Senator McCARTHY, who is a former POW, has introduced legislation to call for re-examination. I think it is in our own self-interest that we re-examine that relationship.

Let me just give a little personal experience here. Back some years ago, in 1978, I was a Member of the House. I served as part of the U.S. delegation to the United Nations in a special session. While I was at the United Nations, I tried to meet people I would not otherwise meet.

One day I went over to the Vietnamese delegation and said: "I would like to invite you to have lunch with me and maybe one or two of my colleagues next Tuesday." I got the message back they would have to check with Hanoi first and that they would get back to me.

They checked with Hanoi and found out they could probably survive having lunch with PAUL SIMON.

We had lunch. My colleague, Congressman BILL LEHMAN, happened to be there. He joined us and a representative of the State Department.

During the course of the lunch, they mentioned that they felt they had an agreement from former President Nixon that Vietnam would receive \$3 billion in reparations from the war. They said they were willing to forget that and willing and eager to enter into a new relationship with the United States.

I said: "Would you be willing to come to Washington to discuss it?" They told me—and I should have been aware of it, but I was not aware of it—they said: "We cannot go more than 25 miles from the United Nations." They also said they would have to check with Hanoi before they could have a meeting in Washington.

I said: "You check with Hanoi; I will check with the State Department. Let's see if we can have a meeting."

We had a meeting—frankly, a dinner meeting—in our home. We had Members of the Senate and the House, Republicans and Democrats, and two representatives of the State Department. We talked about improving the relationship.

One of the things I think we easily lose sight of is that Vietnam is the third largest Communist country on the face of the Earth in terms of population following China and the Soviet Union. They mentioned at that point they were under pressure from the Soviet Union to use the facility at Cam Ranh Bay, the facility that the United States of America built. They said they were trying to resist that. They wanted to be independent of both China and the Soviet Union.

China and independent of the Soviet Union. That is best encouraged by renewing diplomatic ties with Vietnam and working with that country on the problems that she faces; working with her also on the problems of the prisoners of war and those missing in action.

It is very easy in the area of foreign affairs to respond to the national passion rather than the national interest. The national passion is, frankly, one still of embarrassment over what happened in Vietnam. In my opinion the national interest is very clear, that we ought to try to see that Vietnam is independent. I am old enough, Mr. President—and if you will forgive me, the Presiding Officer is old enough along with me—to remember that immediately after World War II President Harry Truman took some steps of friendship toward Germany and Japan. There was a lot of criticism of Harry Truman for doing that. That clearly turned out to be in our national interest.

I think we face the same situation in Vietnam today. I think we ought to take the steps to recognize the reality that that country exists, to do what we can to encourage them to be independent and where we can in our own self-interest to extend the hand of friendship.

I ask unanimous consent that the article by our colleague, Senator LARRY PRESSLER, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE CAN'T ISOLATE VIETNAM FOREVER (By Larry Pressler)

WASHINGTON.—Following a visit to Vietnam last month, I concluded that more than 13 years after the last American helicopters left Saigon, the United States should consider ending its isolation of Vietnam. For the first time, Congress seems ready to review American policy there.

United States policy has remained virtually unchanged since April 30, 1975, when we closed our embassy and evacuated the last American personnel. Since then we have sought to keep Vietnam diplomatically isolated while denying aid and imposing a trade embargo. In 1978, after Vietnam invaded Cambodia, we escalated our policy to oppose diplomatic recognition until Vietnam withdrew from Cambodia and until it fully cooperated in resolving cases of Americans missing in action.

It is worth considering, however, whether these objectives could be achieved more easily if the United States made regular official contacts with the Vietnamese and if it made known its readiness to respond to urgent humanitarian needs through such established programs as Food for Peace.

The White House should include Vietnam and Cambodia on the agenda for the Moscow summit meeting next week. The Cambodia issue would benefit from the kind of "realistic engagement" by the United States that helped bring about the agreement on withdrawal of Soviet forces from Afghanistan.

As it is, we are leaving the Soviet Union a clear field in Vietnam. During my visit, I observed Soviet personnel in many places. They are staying at and using facilities previously used by the United States, most importantly the former United States naval

base and the harbor at Cam Ranh Bay. Soviet economic and military assistance to Vietnam, one of the poorest countries in the world, is estimated at some \$1.8 billion annually. Nonetheless, the Vietnamese are dissatisfied with Soviet involvement in their country.

Rather than giving the Vietnamese only one option, we should actively seek a dialogue with Vietnam to work out a withdrawal of Vietnamese forces from Cambodia. The Afghanistan agreement and our role as a guarantor serve as an example of the contribution the United States can make in achieving such a settlement.

Although the intention of American policy is to isolate Vietnam, the effect has been to isolate ourselves from a country in which we have a lasting interest.

I served as an Army lieutenant in Vietnam in 1967 and 1968. Since my return visit, I have received messages from other veterans eager to renew their ties to that country. Some are looking for children fathered with Vietnamese mothers, others for friends with whom they worked as advisers—many of whom were locked up for years in harsh "re-education camps." Most of the camp prisoners have been released, but they are not yet free to leave Vietnam for reunion with family and friends in the United States.

Still other Americans are concerned about the missing-in-action issue and believe a first-hand look at the country would help resolve lingering questions. Many other veterans said they want to go back to see where they served.

All this demonstrates the almost forgotten bond the United States has with Vietnam. Nearly three million Americans served there during our 18 year involvement. In the years since the war, close to a million Vietnamese and their families have come to the United States. A Vietnamese-American who traveled with me was able to visit his aging mother in Hanoi and other relatives in Ho Chi Minh City. Anyone witnessing such reunions would understand the powerful attraction that family ties have for the Vietnamese, as they do for us.

For a number of reasons, the Vietnamese appear ready to welcome Americans. A Vietnamese with whom I spoke recalled that his country has been "occupied" in this century, as he put it, by the French, the Japanese, the Americans and the Russians. "And the Americans are the ones we want back," he said.

Probably the Americans' reputation for generosity to former enemies is part of the reason, but I believe it goes deeper. I sensed an enduring interest in American life and culture and economic techniques among many of the Vietnamese with whom we met.

The United States could not have played its active role in reaching the Afghanistan agreement without engaging in continuing dialogue with the Soviet Union and its leaders. Likewise in Indochina, the United States, China and our allies in the Association of South East Asian Nations have a vital role to play in bringing about a settlement in Cambodia and in guaranteeing its security against encroachments by the genocidal Khmer Rouge.

It is not enough to preach about withdrawal to the Vietnamese. We need to shoulder some share of responsibility in a region where the United States presence just 18 years ago was a central factor. Our policy of isolation has reached the point of diminishing returns. The Moscow summit meeting would be a good opportunity for America to begin a new approach toward Vietnam.

PREPARED STATEMENT OF MARION CREEKMORE, JR., DEPUTY COORDINATOR FOR AFGHAN
AFFAIRS, U.S. DEPARTMENT OF STATE

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SELECT COMMITTEE,

MY COLLEAGUES AND I APPRECIATE THE OPPORTUNITY TO APPEAR
BEFORE YOU TO DISCUSS OUR AFGHAN POLICY AND HOW THE
ADMINISTRATION HAS ORGANIZED ITSELF TO PURSUE MOST EFFECTIVELY
THIS POLICY.

AT GENEVA ON APRIL 14, HISTORY WAS MADE. THE SOVIET
UNION SIGNED AN INTERNATIONAL AGREEMENT TO WITHDRAW ITS TROOPS
FROM AFGHANISTAN ON AN AGREED, FRONT-LOADED TIMETABLE. FOR THE
FIRST TIME SINCE 1955 THE SOVIET UNION IS RETREATING FROM AREAS
OCCUPIED BY ITS MILITARY FORCES. THIS WITHDRAWAL BEGAN ON MAY
15 AND IS PROCEEDING AT A PACE THAT SHOULD MEET, IF NOT EXCEED,
THE ESTABLISHED DEADLINE. HALF OR MORE OF THESE TROOPS SHOULD
HAVE CROSSED THE SOVIET BORDER BY AUGUST 15.

THE SOVIET WITHDRAWAL HAS BEEN AN IMPORTANT U.S.
OBJECTIVE FOR ALMOST NINE YEARS. MOST OF THE INTERNATIONAL
COMMUNITY SHARED THIS GOAL, AS DEMONSTRATED BY THE SERIES OF
U.N. GENERAL ASSEMBLY RESOLUTIONS CONDEMNING SOVIET AGGRESSION
IN AFGHANISTAN. BUT THE PULLBACK OF THE SOVIET FORCES,
IMPORTANT AS THAT IS, DOES NOT ACHIEVE ALL OF OUR AIMS, OR
THOSE OF THE INTERNATIONAL COMMUNITY. THE BRAVE AFGHAN PEOPLE,
WHO FOUGHT AND DIED TO REPEL FOREIGN OCCUPATION, DESERVE NOW TO
BE ABLE TO ESTABLISH FOR THEMSELVES A REPRESENTATIVE
GOVERNMENT OF THEIR OWN CHOOSING. IN ADDITION, THE MILLIONS OF

REFUGEES, WHO WERE FORCED TO FLEE TO PAKISTAN, IRAN, AND ELSEWHERE, MUST BE ABLE TO RETURN VOLUNTARILY--IN SAFETY AND WITH HONOR. THE PAKISTANI PEOPLE AND GOVERNMENT DESERVE CONSIDERABLE PRAISE FOR THEIR SUPPORT FOR, AND FINANCIAL ASSISTANCE TO, THE AFGHAN REFUGEES--OFTEN IN THE FACE OF SOVIET INTIMIDATION.

THE AFGHAN PEOPLE THEMSELVES MUST DETERMINE THEIR OWN POLITICAL FUTURE AND THE COMPOSITION OF THEIR FUTURE GOVERNMENT. WE HAVE CONFIDENCE THAT THEY WILL DO SO. ONCE THE SOVIET FORCES LEAVE, WE BELIEVE MOSCOW'S PUPPET GOVERNMENT IN KABUL WILL FALL, AND THE AFGHAN PEOPLE THROUGH SELF-DETERMINATION WILL DECIDE THE TYPE OF GOVERNMENT THAT BEST SERVES THEIR INTERESTS, AND THE LEADERS THEY WISH TO ADMINISTER IT.

THE INTERNATIONAL COMMUNITY HAS AN OPPORTUNITY, INDEED AN OBLIGATION, TO ASSIST IN THE RETURN OF THE REFUGEES. THOUGH HEARTY AND SELF-RELIANT PEOPLE, THE REFUGEES, AS WELL AS THOSE WITHIN AFGHANISTAN DISPLACED BY THE WAR, WILL NEED HELP IN RETURNING HOME, RESTORING THEIR FIELDS, AND REBUILDING THEIR LIVES. THIS WILL BE AN ENORMOUS AND COSTLY TASK. WE ARE GREATLY ENCOURAGED BY THE VIGOROUS LEADERSHIP BEING PROVIDED BY THE UNITED NATIONS IN FORMULATING A COMPREHENSIVE, CAREFULLY

COORDINATED MULTILATERAL ASSISTANCE EFFORT. WE URGED THE SECRETARY GENERAL TO NAME AN OVERALL COORDINATOR FOR THIS LARGE HUMANITARIAN EFFORT. WE APPLAUD HIS SELECTION OF PRINCE SADRUDDIN AGA KHAN, A MAN WITH A DISTINGUISHED RECORD OF HUMANITARIAN SERVICE. WE WILL WORK CLOSELY WITH HIM AND SUPPORT HIS EFFORTS--TO SEEK DONOR CONTRIBUTIONS, TO COORDINATE THE WORK OF U.N. AGENCIES, AND TO ENSURE ADEQUATE, COST-EFFECTIVE AND NON-DUPPLICATIVE U.N. ACTION.

PRINCE SADRUDDIN HAS MOVED WITH RECORD SPEED IN DEVELOPING A COORDINATED U.N. PROGRAM. IN LESS THAN A MONTH AFTER HIS APPOINTMENT, THE SECRETARY GENERAL WAS ABLE TO ISSUE AN APPEAL TO DONORS AND SUPPLY THEM WITH AN OUTLINE, TO BE REFINED LATER, FOR THE COOPERATIVE WORK OF THE VARIOUS U.N. AGENCIES. TWO DAYS AGO THE FIRST DONORS MEETING WAS HELD AT THE U.N. HEADQUARTERS IN NEW YORK; OTHER MEETINGS WILL BE SCHEDULED AFTER DONORS HAVE HAD TIME TO STUDY THE RELEVANT DOCUMENTATION. THE U.N. COORDINATOR HAS EVERY REASON TO BE PLEASED WITH THE HIGHLY POSITIVE RESPONSE OF DONORS TO THIS FIRST INFORMATION-SHARING MEETING.

MONTHS BEFORE THE GENEVA SETTLEMENT, WE ENCOURAGED THE U.N. AND OTHER DONORS TO BEGIN PREPARATIONS FOR THE REFUGEES' RETURN. OUR EFFORTS HAVE BEEN INSTRUMENTAL IN ACHIEVING THE CURRENT STATE OF PLANNING.

THE U.N. COORDINATOR IS INSISTING THAT THE AID TO THE REFUGEES BE STRICTLY OF A HUMANITARIAN NATURE. HE HAS STRESSED TO US THAT THE U.N. ASSISTANCE WOULD NOT FLOW THROUGH THE KABUL REGIME, NOR WOULD HE ALLOW IT TO BE USED BY THAT REGIME TO TRY TO ENHANCE ITS POLITICAL POSITION WITHIN THE COUNTRY. PUBLICLY AND PRIVATELY, WE HAVE MADE CLEAR THAT WE REGARD THE KABUL REGIME AS ILLEGITIMATE, AND THAT WE WILL BE WATCHING CLOSELY TO ENSURE THAT IT DOES NOT SUCCEED IN TRYING TO-MANIPULATE THE U.N. PROGRAM. OTHER WESTERN DONORS SHARE OUR CONVICTION AND DETERMINATION. WORKING WITH PRINCE SADRUDDIN WE ARE CONFIDENT THAT THE U.N. EFFORT WILL BE DIRECTED IN WAYS CONDUCTIVE TO WESTERN INTERESTS AND THE INTERESTS OF THE AFGHAN PEOPLE.

THE UNITED STATES CURRENTLY PROVIDES \$119 MILLION IN HUMANITARIAN ASSISTANCE TO AFGHANS. APPROXIMATELY \$49 MILLION OF THIS ASSISTANCE GOES THROUGH MULTILATERAL CHANNELS--SPECIFICALLY THE U.N. HIGH COMMISSIONER FOR REFUGEES AND THE WORLD FOOD PROGRAM--TO ASSIST THE MORE THAN THREE MILLION REFUGEES IN PAKISTAN; THE REMAINDER IS PROVIDED BILATERALLY, PRIMARILY TO PEOPLE STILL WITHIN AFGHANISTAN. THIS BILATERAL PROGRAM, WHICH DEMONSTRATES OUR LONG-STANDING CONCERN FOR THESE PEOPLE, RESULTED FROM A CONGRESSIONAL INITIATIVE--AND HAS BEEN GENEROUSLY FUNDED. DESPITE BUDGETARY CONSTRAINTS, WE HOPE TO MAINTAIN THIS OVERALL LEVEL OF BILATERAL AND

MULTILATERAL AID IN FY 89, AND WE ARE SEEKING WITHIN EXISTING FUNDING ADDITIONAL RESOURCES, PARTICULARLY FOOD AID, TO CONTRIBUTE TO OUR AFGHAN ASSISTANCE EFFORT. CONSISTENT WITH THE AGREEMENT LAST FALL WITH THE CONGRESS, HOWEVER, WE DO NOT INTEND TO SEEK A SUPPLEMENTAL FOR AFGHAN ASSISTANCE. WE ARE ENCOURAGING OTHER DONORS TO CONTRIBUTE SUBSTANTIALLY TO THE AFGHAN ASSISTANCE EFFORT.

MR. CHAIRMAN, THERE IS MUCH WE DO NOT KNOW ABOUT CONDITIONS WITHIN AFGHANISTAN, OR THE IMMEDIATE INTENTIONS OF THE REFUGEES. WE BELIEVE A LARGE MAJORITY OF THE MORE THAN FIVE MILLION REFUGEES IN PAKISTAN AND IRAN WILL WANT TO RETURN TO THEIR COUNTRY. WE BELIEVE MANY OF THE ONE-TWO MILLION DISPLACED PERSONS WITHIN AFGHANISTAN DESIRE TO RETURN TO THEIR HOMES. WE THINK MOST WILL WAIT UNTIL THE LEVEL OF VIOLENCE IN THEIR TRADITIONAL AREAS DECLINES SIGNIFICANTLY. THE CROP CYCLE, THE REMOVAL OF MINES, THE AVAILABILITY OF SURVIVAL ASSISTANCE, AND THE WARTIME DAMAGE TO THEIR LAND AND VILLAGES ARE SOME OF THE OTHER FACTORS THAT WILL INFLUENCE THEIR DECISIONS ON WHEN TO RETURN. GIVEN THE INDEPENDENCE OF THE AFGHAN PEOPLE WE BELIEVE THEY WILL DECIDE FOR THEMSELVES WHEN TO GO BACK. THEY WILL NOT LET ANY GOVERNMENT OR INTERNATIONAL ORGANIZATION MAKE THE DECISION FOR THEM.

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THE CHALLENGE TO THE INTERNATIONAL COMMUNITY IS TO BE SUFFICIENTLY ORGANIZED TO ASSIST WHEN THE FLOW OF PEOPLE HOME BEGINS. IT WOULD BE A TERRIBLE TRAGEDY IF THIS RETURN TO A LAND NO LONGER OCCUPIED BY FOREIGN TROOPS WOULD END IN DESTITUTION AND STARVATION BECAUSE INSUFFICIENT ASSISTANCE WAS AVAILABLE IN THAT PERIOD BEFORE THE AFGHANS COULD AGAIN MAKE THEIR FIELDS PRODUCTIVE. THE INTERNATIONAL COMMUNITY MUST NOT ALLOW THIS TO HAPPEN.

LET ME CONCLUDE WITH A BRIEF DESCRIPTION OF HOW WE ARE ORGANIZED WITHIN THE EXECUTIVE BRANCH TO COORDINATE AND PURSUE OUR AFGHAN POLICY. IMMEDIATELY AFTER THE GENEVA ACCORDS WERE SIGNED, SECRETARY SHULTZ ASKED AMBASSADOR RICHARD WILLIAMSON TO SERVE AS AFGHAN COORDINATOR, IN ADDITION TO HIS OTHER RESPONSIBILITIES AS ASSISTANT SECRETARY FOR INTERNATIONAL ORGANIZATION AFFAIRS. AMBASSADOR WILLIAMSON'S JOB IS TO COORDINATE THE MANY ASPECTS OF OUR AFGHAN POLICY AND THE RELEVANT WORK BEING DONE BY A NUMBER OF BUREAUS WITHIN THE STATE DEPARTMENT AS WELL AS WITHIN OTHER AGENCIES. HIS PARTICULAR FOCUS AT THIS TIME IS ON HOW THE U.S. CAN BEST ASSIST--MULTILATERALLY AND BILATERALLY--IN THE REPATRIATION AND RESETTLEMENT OF THE REFUGEES AND THE ULTIMATE RECONSTRUCTION OF THE COUNTRY OF AFGHANISTAN. TWO WEEKS AGO HE WAS IN GENEVA, THIS WEEK IN NEW YORK--HELPING SHAPE THE U.N. EFFORT, WHICH

MUST LEAD THIS HUMANITARIAN ENDEAVOR. I AM PRIVILEGED TO SERVE AS WILLIAMSON'S DEPUTY FOR COORDINATING OUR AFGHAN ACTIVITIES.

JUST A WORD ABOUT THE MECHANICS OF OUR COORDINATION. EARLY EACH MORNING WE HAVE A MEETING OF REPRESENTATIVES OF THE BUREAUS AND AGENCIES MOST DIRECTLY CONCERNED WITH AFGHANISTAN. THESE REPRESENTATIVES ARE IN CLOSE CONTACT THROUGHOUT THE DAY. THEY HAVE BEEN DESIGNATED AS THE PRIMARY PERSONS WITHIN THEIR OWN ORGANIZATIONS FOR AFGHAN ISSUES. THEY ARE EITHER EMPOWERED TO TAKE ACTION DECISIONS ON THEIR OWN OR GIVEN IMMEDIATE ACCESS TO THEIR SUPERIORS FOR THESE DECISIONS. WE THINK WE HAVE AN EFFICIENT OPERATION STAFFED BY COMMITTED AND HIGHLY MOTIVATED PEOPLE.

MR. CHAIRMAN, THE RETURN OF THE AFGHAN REFUGEES AND DISPLACED PERSONS WITHIN AFGHANISTAN IS A MAJOR INTERNATIONAL CHALLENGE. WORKING WITH OTHER DONORS, THE U.N. COORDINATOR AND U.N. AGENCIES, AND THE CONGRESS, WE ARE DETERMINED TO DO OUR SHARE IN MEETING THIS CHALLENGE.

THANK YOU.

Profile of Afghanistan's Pre-War Agricultural Production

According to IMF reports, agriculture provided about 60 percent of national income and employed 80 percent of the population before the Soviet invasion in 1979.

Agricultural output grew by about three percent annually in the mid-1970's and Afghanistan was approximating self-sufficiency in foodgrain production in 1977. The only major food imports were sugar and tea. The Soviet Union was the primary supplier of sugar and India supplied the tea.

According to IMF reports, agricultural exports such as cotton and fruit were more than double non-agricultural exports. Leading customers for Afghanistan's fruit and nuts included the Soviet Union, the United States, Pakistan, and India. The Soviet Union was also a large purchaser of raw cotton and wool.

The use of fertilizers and pesticides was also expanding in pre-war Afghanistan. Improved varieties of seeds were introduced and mechanical power was tapped. Moreover, average yields, especially for wheat, rose during the 1970's, allowing farmers to turn to some degree from subsistence farming to cash crops.

In contrast, Afghan agriculture has not developed at all since the invasion. Although Afghan Government agricultural statistics do not show a significant decline in foodgrain production since the war began, wheat production has fallen by 20 percent or higher from the 1978 level. (Afghan Government agricultural statistics have been generally unreliable during the war and often inflated.) Increasing wheat imports from the Soviet Union--averaging 200,000-300,000 metric tons annually as reported in official Soviet foreign trade data--during the war would validate this claim. Moreover, exports of fruits and nuts have declined significantly since the Soviet invasion. Cotton, wool and karakul exports have also experienced sharp declines. Cotton--the most important cash crop--has recorded a marked reduction in production from 165,000 metric tons in 1976 to about 75,000 metric tons in 1987.

ADDITIONAL QUESTIONS FOR MARION CREEKMORE, JR.

Submitted by Hon. Mickey Leland

QUESTION: The Administration has repeatedly stated that while non-food assistance to the Afghan returnees may be limited due to budget constraints, the U.S. will be able to provide food assistance. Roughly how much food will the U.S. be able to send to meet the needs of the Afghan appeal?

ANSWER: We have approved 80,000 MT of wheat and 3,000 MT of non-fat dried milk in FY 1988 which will be provided specifically in response to the UN appeal. The cost of the wheat and milk along with ocean transport amounts to almost \$17 million. This amount is in addition to the 165,000 MT in FY 88 budget for assistance to Afghan refugees in Pakistan.

QUESTION: In your testimony today and at the U.N. donors conference in New York on Tuesday, you referred to the \$119 million in relief assistance that the U.S. Government has been providing through its bilateral program. Since that program is not funding resettlement activities, I assume that it will not be counted as a U.S. contribution to the UN appeal. Is that correct?

ANSWER: The entire U.S. bilateral and multilateral program for Afghans is consistent with programs identified by the UN under its appeal and, in our view, could be counted against that appeal. Since the UN appeal, we have increased our FY 88 program from \$119 million to \$142 million. The additional \$23 million contribution in kind includes about \$17

million in wheat and non-fat dry milk pledged to WFP, which is in direct response to the June 14 UN appeal. Another \$6 million of wheat is for our bilateral cross-border program.

The primary objective of our bilateral cross border program is to assist Afghans who elect to stay in Afghanistan and to assist in the orderly return of refugees by improving conditions inside Afghanistan so that returning refugees can sustain themselves. In this sense, we are preparing for resettlement.

A.I.D. has existing programs in the food and agricultural sectors which will help address the immediate needs of the Afghan people. In addition, we are supporting and will continue to support education and health programs which have longer term benefits. Through the cross border program, A.I.D. seeks to improve health care inside Afghanistan, strengthen educational services, increase the availability of agricultural equipment, and reconstruct rural infrastructure (such as irrigation channels and roads) that has been destroyed as a result of the war.

QUESTION: In the U.N. appeal for Afghanistan, donors are urged to provide assistance more through multilateral programs and less through bilateral programs. How will the U.S. respond to this particular request?

ANSWER: In direct response to the U.N. June 14 appeal, the United States has committed \$17 million in food resources to be channeled through the World Food Program (WFP). This amount is additional to the \$49 million in our FY 88 assistance for Afghans that is provided through multilateral channels to Afghan refugees in Pakistan.

The U.S. multilateral program which supports Afghan refugees in Pakistan has been in operation since 1980, and the bilateral cross border program, which aids Afghans inside that war-torn country, started in 1985. The objectives of both these programs are consistent with assistance proposed by the U.N.

Whereas U.S. programs are fully operational and support needy Afghans at this time, the U.N. is only now beginning to plan its overall program. Therefore, we will continue our current bilateral activities, carefully coordinating them with the U.N., as the U.N. projects are being readied for implementation.

Depending on the availability of funds, we will consider increased contributions to the multilateral programs in the future. For example, emergency food relief resources could be channeled through the U.N. system if satisfactory operational plans and implementation mechanisms are put in place.

SUBMITTED BY HON. BILL EMERSON

QUESTION: The United Nations issued an appeal for \$1.2 billion for the resettlement of refugees and the initial rehabilitation of Afghanistan. What will be the U.S. response to the appeal?

ANSWER: The United States is already contributing substantial humanitarian resources to the Afghan people. Overall economic and food assistance budgeted this year for the refugee and cross border programs amounted to more than \$119 million. We have augmented this large program with additional food contributions of 80,000 MT of wheat and 3,000 MT of non-fat dried milk for multilateral assistance in direct response to the UN appeal and 20,000 MT for our bilateral cross-border program. The cost of the additional wheat and milk along with ocean transport amounts to almost \$23 million. This brings our combined bilateral and

multilateral contribution this year to almost \$142 million.

Despite severe budgetary constraints, we intend to continue a high level of assistance next fiscal year.

QUESTION: Will the United States continue its independent cross-border operation, or will future U.S. aid be administered under the U.N. program?

ANSWER: The U.S. Government will support a multilateral repatriation effort and has encouraged the United Nations to take the lead in organizing the multilateral effort.

Whereas our programs are fully operational and support needy Afghans at this time, the U.N. is only now beginning to plan its activities. Therefore, we will continue our current bilateral cross-border program and multilateral programs, carefully coordinating them with the U.N., as the U.N. activities are prepared for implementation. Depending on budget availabilities, we will consider some increased contributions to multilateral efforts.

QUESTION: At what point will A.I.D. make the transition from short-term assistance for refugees to longer-term development assistance? What plans are being discussed for long-term aid?

ANSWER: Our bilateral cross-border program is designed to assist needy Afghans who have stayed in Afghanistan and to facilitate and assist in the orderly return of refugees. Our efforts are directed at improving that environment so that when refugees return, they will be in a better position to begin their traditional livelihoods and to support their families with eventually a decreasing amount of external assistance.

As we plan resettlement activities and make adjustments to the A.I.D. cross-border program, we are mindful of longer term development assistance implications. For example, our sector support projects in agriculture, health, and education all have institution building features which would contribute to long-term development.

The point at which A.I.D. will make the transition from short-term relief to long-term development programs will be determined by the pace of the relief and rehabilitation process as well as the readiness of a new government, representing all Afghans, to direct its own resources for development requirements we can support.

QUESTION: The manner in which western aid is disbursed has obvious implications for the political future of Afghanistan. What is the policy rationale behind current U.S. policy to channel aid through the resistance alliance instead of directly to the resistance commanders? Who decides which groups get assistance, and what criteria are used?

ANSWER: A.I.D. currently implements its programs through technical committees that have been set up by the Alliance and through American and European PVOs. We also have established working relationships with a number of the mujahideen commanders in the field. Our overall objective is to help needy Afghans.

We intend to continue working through a mix of channels until such time as the situation inside Afghanistan permits us to operate through legitimate central authorities.

Q: According to some sources, Soviet air attacks against Afghan villages and farms peaked in 1985, and have since declined. One study has concluded, "It appears that the use of ground-to-air missiles from 1986 was largely responsible for providing a protective umbrella and allowing agricultural operations to continue during daytime." Do you share this assessment of the beneficial and humanitarian effects of the Stinger missiles, or do other factors account for the decline in attacks on villages?

A: THROUGHOUT MOST OF THE AFGHAN CONFLICT SOVIET AND KABUL REGIME FORCES LAUNCHED FREQUENT AIR ATTACKS AGAINST MUJAHIDIN STRONGHOLDS, IRRESPECTIVE OF THE PRESENCE OF CIVILIAN POPULATIONS OR ECONOMIC INFRASTRUCTURE. THE RESISTANCE OFTEN TOOK COVER IN VILLAGES, VINEYARDS AND IRRIGATION DITCHES. THE RESULT WAS HIGH CIVILIAN CASUALTIES AND EXTENSIVE DAMAGE TO THE AGRICULTURAL SECTOR IN SOME AREAS. THE INTRODUCTION OF SURFACE-TO-AIR MISSILES INTO THE RESISTANCE ARSENAL IN LATE 1985 HAD A MAJOR IMPACT ON THE ABILITY OF THE SOVIET/REGIME FORCES TO ATTACK THE MUJAHIDIN BY AIR. SOVIET AND KABUL REGIME AIR LOSSES, BOTH WITH RESPECT TO AIRCRAFT AND PILOTS, ROSE DRAMATICALLY. LACKING EFFECTIVE COUNTERMEASURES, THEY WERE COMPELLED TO VIRTUALLY CEASE CLOSE-IN AIR ATTACKS AGAINST THE RESISTANCE, RESORTING INSTEAD TO INEFFECTUAL HIGH-ALTITUDE BOMBING. WITH SOVIET/KABUL REGIME AIR POWER EFFECTIVELY BLUNTED, THE RESISTANCE HAS BEEN ABLE TO OPERATE MORE OPENLY WITH LESS FEAR OF BEING ATTACKED FROM THE AIR. WITH FEWER AIR ATTACKS, DAMAGE TO VILLAGES AND FARMS CONSEQUENTLY HAS BEEN SOMEWHAT REDUCED. THE CUMULATIVE DAMAGE TO THE AGRICULTURAL SECTOR REMAINS, HOWEVER, AND WILL TAKE YEARS TO REPAIR.

PREPARED STATEMENT OF ROBIN GOMEZ AND GARY MANSAVAGE, BUREAU FOR ASIA AND
NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (U.S. A.I.D.)

Mr. Chairman and Members of the Committee:

We appreciate the opportunity to appear before you today to testify on hunger issues in Asia.

It is timely and important to focus on specific problems raised by Afghanistan, the Philippines and Vietnam. First, however, we would like to discuss overall food security issues in Asia.

The countries A.I.D. assists in Asia confront a tremendous challenge in their attempts to feed their people. These countries, which exclude China and Vietnam, have a combined population of approximately 1.3 billion. Average per capita income is less than \$350 per year, so there are many hundreds of millions of impoverished people in the region. Yet there has been real progress in meeting basic food needs.

Twenty years ago, famine was a real threat throughout Asia, with millions of people at risk. Today, that risk has diminished considerably. With a combination of green revolution technologies, sound agricultural policies, and effective management of their economies, these countries have reached the point where starvation is no longer an ever present

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danger. Rice production in East Asia has increased 66% using high yielding varieties developed by the International Rice Research Institute in the Philippines. Similar increases in wheat production are common throughout South Asia. Countries which once were hungry, from India and Bangladesh to Indonesia, have not only expanded local production sharply but also developed foreign exchange reserves to procure food on the world market in case of occasional shortfalls. The U.S. provided leadership, policy and technical advice, development assistance, and food aid to help support this progress.

The progress Asia has made so far demonstrates that sound development programs work. Our food aid and development aid programs are an effective expression of the humanitarian interests of the American people. Our assistance also serves our foreign policy interests by promoting political stability and participatory economic development, and contributes directly to our own economic prosperity by stimulating trade and growth. Our exports, including agricultural commodities, have increased significantly in several Asian countries where development has led to increased incomes and higher purchasing power.

Nevertheless, this sound beginning is only that. The food security progress made so far in Asia is neither complete nor assured. Population growth rates continue to be high in many

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of these countries, and the returns to green revolution technologies are no longer as great as they were. Malnutrition is widespread. Several Asian countries have yet to fully adopt the necessary agricultural policies and technologies. Others remain vulnerable to natural disasters. In short, we need to stay-the-course with these countries, to continue to assist them with their development and food security problems. At the same time, the U.S. must also be prepared to respond to problems which arise as a result of political crises or natural disaster.

With much of the world's total population and with rapidly growing economic capacity, Asia is particularly important to U.S. foreign and economic policy interests. Asians continue to expect the U.S. to provide leadership in helping them work through difficult political and economic problems, and our humanitarian and development assistance programs have proven to be more than adequate vehicles for doing so. For our efforts to be effective, however, they must also be matched by appropriate policies, committed institutions and strong leadership on the part of cooperating countries.

In the countries chosen by the Select Committee for today's hearing, three quite different situations are unfolding.

- In the Philippines a new government is committed to programs which will broaden both political and economic participation, and significant progress has already been achieved.
- In Afghanistan, a massive repatriation and refugee resettlement program is just on the verge of beginning. We are hopeful the many political and logistical problems which lie ahead can be overcome.
- In Vietnam, there is a food shortage of uncertain dimensions.

The government of Corazon Aquino in the Philippines has made truly remarkable progress. Under the crony capitalism of the previous government, strong but highly unbalanced economic growth of the 1970s gave way to the economic crisis of the 1980s. Growth spurred by a capital intensive and monopolistic economy could not generate the productive employment or meet the basic needs of a rapidly growing population. Beginning in 1983 the Philippines experienced the worst economic and financial crisis in its postwar history. Real per capita incomes fell to early 1970 levels. The number of families falling below the poverty line increased. The nutritional

well-being of the people deteriorated. According to the Philippine Medium Term Economic Development Plan, one fourth of the children of the sugar workers on Negros were found to be significantly malnourished.

Since the Aquino government took over, there has been a democratic revolution in the country which has been widely and justly praised. As encouraging, the economic decline in the Philippines has been reversed. GNP grew by 1.6 % in 1986, by a robust 5.7% in 1987, and current projections indicate growth as high as 7.5% in 1988. U.S. economic assistance has been substantial and important to this recovery-- \$379 million in 1986, \$369 million in 1987, and \$275 million budgeted for this year. The 1988 level includes \$50 million earmarked by Congress in support of the Philippine land reform program.

Substantial food aid has been part of the U.S. assistance program. In late 1986, an A.I.D. food aid review team made recommendations which resulted in expansion of the CARE school feeding program, a shift in the Negros program from UNICEF to CARE, and an expansion of Catholic Relief Services' maternal child health programs. Since President Aquino took over, in 1986, the U.S. has provided over \$190 million in food aid. As a result of these efforts and those of the Aquino Government, we believe short term food security is greatly improved. However, it remains tenuous. This year, for example, extensive

drought and typhoon damage resulted in a significant shortfall in the rice harvest and the Philippines unexpectedly requested U.S. food aid to help meet this shortfall. We responded by providing \$50 million of rice. Similar shortfalls could occur in the future.

The current A.I.D. program is designed to assist the GOP in maintaining sustainable, equitable growth and meeting the basic needs of a large and growing population. A.I.D. is working with the GOP to assist in the implementation of the economic policy reform program of the Aquino administration, including dismantling monopolies and government regulation to establish a more competitive, market-oriented economy that will create new jobs. A significant proportion of A.I.D. assistance supports the rehabilitation and development of basic infrastructure, particularly in rural areas. A.I.D. is also assisting the GOP with the delivery of basic social services, particularly in health, family planning and education. We are working with the GOP to improve the efficiency and effectiveness of the basic health care delivery system and to strengthen family planning services. Through our feeding programs and support for the work of private voluntary organizations (PVOs) in maternal/child health care, family planning and nutrition, we are directly assisting at the village level. Finally, A.I.D. assists agricultural development projects targeted on specific poverty groups in some of the poorest areas of the country.

The challenge will continue to be to develop a pattern of self-sustaining growth and equitable participation in the Philippine economy in the face of a heavy debt burden. We are encouraged by the political and economic reforms taken already by the Aquino government but still more will need to be done.

Together with other countries and donor agencies we are currently discussing ways in which the friends of the Philippines can support the democratic process and assist the Aquino Government maintain economic growth and meet the needs of its people. We believe that special efforts on our part, matched by increased vigor in the pursuit of economic policy reforms and project implementation on the part of the Government of the Philippines, can lead to a new pattern of sustainable growth where the benefits of development will be shared more equitably.

In Afghanistan, the Soviet withdrawal portends one of the largest movements of refugees in history. During the brutal war in what was already one of the poorest countries in the world, millions of people, most of them poor farmers, were forced to flee their homes and their livelihood. Today there are three million Afghan refugees in Pakistan, two million in Iran and approximately three million displaced Afghans inside Afghanistan.



The U.S. has led the multi-donor effort to assist these refugees. In FY 1988 we will provide \$52 million to help support the refugees in Pakistan, including \$16 million for the UN High Commissioner for Refugees and \$33 million for the World Food Program. In addition to this refugee program, which is administered by the State Department, A.I.D. runs a cross-border humanitarian assistance program funded at \$45 million in development assistance and ESF, a \$12 million PL 480 Title II food program which may be expanded further this fiscal year, and field operations for the DOD Afghan Humanitarian Relief Program which is valued at \$10 million. A.I.D.'s programs, which began in 1985, have been designed to minimize the suffering of the Afghan people inside Afghanistan.

Now that the Soviet withdrawal has begun, planning for refugee resettlement looms as an immediate and major problem. With U.S. encouragement, the UN has assumed a leadership role and on this past Friday the UN Secretary General issued a call for a multi-donor effort to assist with refugee resettlement. The U.S. will pledge additional resources to this effort. We also expect to continue with our humanitarian assistance program.

While the security situation inside Afghanistan is impossible to predict, worldwide sympathy for the plight of the Afghan refugees is encouraging. There are multilateral organizations to manage this massive resettlement program and

the cooperation of the Pakistanis has been exceptional. If the Soviets continue to withdraw and if the security situation can be worked out quickly and satisfactorily, there is reason to hope the Afghan refugees can return home and begin a productive life.

In Vietnam, we face a situation where a food problem seems to exist, but where we have very little hard data. For example, on April 14th the Socialist Republic of Vietnam called upon the donor community to assist in meeting a food deficit of 1.5 million metric tons affecting an estimated seven million people in the North. A few days ago, Hanoi State Radio reported that harvests of winter-spring rice..."noticeably relieved grain shortages affecting peasants in Northern Provinces." A Reuters story from Bangkok this past Monday says that Vietnamese officials now estimate the rice harvest will be 400,000 tons below target-- a 1.1 million ton reduction from the April estimate.

The hard information we have on Vietnam is scant and primarily consists of anecdotal evidence of residents and visitors to that country. We are unaware of any detailed analysis of the food situation by any of the international agencies normally involved.

The food problem in Vietnam, whatever its magnitude, can be partly attributed, in the short-term, to drought over the past

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two years, a series of typhoons, insect infestation and Vietnam's refusal to pay farmers in the South market prices for their rice. The major problem has its roots in economic mismanagement extending back more than a decade. Put quite simply, rice farmers in Vietnam will just not produce surpluses if they do not receive a fair price for their harvest. With proper incentives, Vietnam could go a long way toward solving its own food shortage. In addition, Vietnamese ability to deal with its food problem has been hampered by the costs of maintaining an occupation army in neighboring Cambodia.

A.I.D. is currently reviewing available estimates and attempting to ascertain the precise extent of the problem. If the situation is critical, Vietnam should ask the UN to assess the food situation in Vietnam. At present, we have no intention of providing any assistance to Vietnam. Moreover, we are prohibited from providing all but disaster assistance by statute.

As you are aware, the United States has no diplomatic relations with Vietnam and we maintain an embargo on all trade with that country. These policies reflect our opposition, which is shared by the majority of the countries of the world, to Vietnam's illegal occupation of Cambodia and are intended to put pressure on Hanoi to pull its troops out and to agree to an acceptable Cambodian settlement. We want to maintain those

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policies since we think they have been effective as a means of promoting an end to the Cambodian conflict.

Nevertheless, we are not insensitive to the suffering of the Vietnamese people. Therefore, if in the future there is convincing evidence that people's lives are in danger because of food shortages in Vietnam, the United States would be prepared to consider an appropriate response within existing legislative guidelines. However, at this time, we do not believe that the situation warrants such a response.

In summary, we believe food security in Asia will continue to improve, but Asian governments need to be prepared to implement sometimes difficult policy reforms. At the same time, continued foreign assistance will be necessary. We believe the U.S. has much to contribute to this process and that it is strongly in our interests to do so. There will be problems, and unfortunately there will continue to be hungry people in Asia. However, we have demonstrated that these problems can be managed in the short run and that in the long run we are making good progress toward establishing the conditions necessary for food security and for self-sustaining economic growth.

ADDITIONAL QUESTIONS FOR ROBIN GOMEZ

SUBMITTED BY HON. MICKEY LELAND

FOOD PURCHASES

Mr. Leland: Are you considering purchasing food through the disaster account to send to Vietnam if it is determined that there is a real food shortage in Vietnam to which the U.S. could respond? There is no restriction on using the disaster assistance account in an emergency, and I understand that wheat and seed were recently purchased in Bangladesh through the disaster account. Are you exploring this option?

Answer: If, in the future, there is conclusive evidence that people's lives are in danger because of the shortage of food, we would be prepared to consider an appropriate response under existing legislative guidelines.

The first step in providing any assistance would be for the Assistant Secretary of State for East Asia and the Pacific to declare that a disaster exists. AID's Office of U.S. Foreign Disaster Assistance, after consulting with all relevant donors, would then propose how we might best respond. However, with the limited information we have at this time, it is, I believe, inappropriate to speculate on the specifics of a U.S. response. I should add, however, that in principle the International Disaster Assistance account can be used to purchase food.

UNITED NATIONS ASSESSMENT

Mr. Leland: What steps has the Administration taken to urge the United Nations to carry out a comprehensive assessment of needs in Vietnam?

Answer: None. It is generally accepted that it is not the U.S. Government's responsibility to urge an assessment by the U.N. but rather that of the government seeking relief.

CHANNELS OF ASSISTANCE

Mr. Leland: What channels are you exploring for providing assistance to the people of Vietnam? Have you talked to U.S.-based PVO's to discuss the possibility of using them as channels of aid? Does this seem to be a viable option?

Answer: Exploring specific channels of assistance at this point is premature. The information we have indicates that a disaster situation does not currently exist in Vietnam. Radio Hanoi reported on June 13 that the food shortage has eased and a relatively normal crop is now being harvested. We will certainly continue to monitor the food situation in Vietnam. We have been in contact with U.S. PVOs who are active in Vietnam. Their general assessment is that there is a food shortage, due largely to poor policies and poor distribution, which has caused some hunger and undernutrition, but which does not now represent a famine situation in which lives are in danger.

SHIPPING GOODS

Mr. Leland: I understand that some private and voluntary organizations have had difficulty obtaining licenses to ship goods to Vietnam -- goods that they believe are for emergency needs but that the Administration claims are for long-term development. Could you explain what our Administration's policy is on shipping goods to Vietnam?

Answer: The United States enforces a general embargo on economic activity with Vietnam. Recent legislation authorizes the licensing, as exceptions to the embargo, of donations and charitable projects designed to meet "basic human needs." Projects which do not meet that criterion are refused, although such a refusal may be appealed.

REMEDIES FOR ECONOMIC DECLINE

Mr. Leland: Mr. Gomez, if, as it strongly appears, declining income is the most important factor in chronic poverty and malnutrition in the Philippines, what are the two or three most important remedies to reverse the decline?

Do the present economic policies of the Aquino government give priority to these remedies? What are the major obstacles faced in implementing such remedies?

Answer: The most important remedy is to restore economic growth and raise real incomes. In the longer term this means restructuring the Philippines economy in order to ensure a sustainable and equitable pattern of growth. Specifically, we should support President Aquino's economic reform program and her efforts to increase rural productivity. In the short term there is a need to provide temporary jobs and income supplements. We should support the Government's efforts to rehabilitate rural infrastructure, deliver basic social services, and provide humanitarian programs (i.e. feeding programs) targeted at specific groups in need.

These remedies have been identified by the Aquino Administration both in its Medium Term Economic Development Plan and its economic reform program. It has embarked on a major policy reform program including the establishment of a financial

stability framework, reduced government involvement in the economy, improvements in proper government functions, and greater focus on rural development. It has also launched a large labor-intensive rural works program to rehabilitate and construct much needed rural infrastructure. GOP efforts have already yielded important results. The economic decline was halted in 1986 and in 1987 the economy registered over 5% growth. Figures for the first six months of 1988 indicate an even higher growth for the current year. Per capita incomes are rising for the first time in five years, unemployment is falling, and the perception of "being in poverty" is declining.

Major political obstacles to full implementation of these programs include resistance to the reform program from vested interests, a cumbersome and highly centralized government bureaucracy, a need for improved operational plans to implement broad policy directives, and insufficiently funded and organized local government agencies. As implementation capacities continue to increase, resource constraints will become an increasingly important obstacle.

AGRARIAN REFORM

Mr. Leland: Will the Aquino government be able to implement a nationwide land reform program -- given limited resources, the weak performance of the bureaucracy and the limited amount of productive land needed relative to the population?

Answer: After nearly one year of active and heated debate, the Philippine Congress passed an agrarian reform bill which was signed into law by President Aquino on June 10, 1988. We believe that the bill is a workable compromise between very divergent views on this controversial issue.

Implementation of the law will be the critical factor in determining the success or failure of the land reform program. It is not all clear that any government would be able to implement successfully a nationwide land reform program - given the acreage and number of people involved, the very controversial nature of the program, and the weak bureaucracy. On the other hand, it is encouraging to note that over the past two years the Aquino Administration has done more to implement the earlier Marcos land reform program than was done over the period 1972 to 1986.

MINIUMUM WAGE LAWS

Mr. Leland: What is the minimum wage in the farm labor sector? How effectively is the government enforcing minimum wage laws? Is the Aquino government doing any better than the Marcos regime in this area?

Answer: The minimum wage for rural labor on plantations is 44 Pesos per day. It is clearly the policy of the Aquino Administration to enforce minimum wage laws. The recent increase in general minimum wages by ten pesos per day is additional evidence of the commitment of the GOP to the welfare of workers. Although it is relatively easier to enforce for large plantations than for small farms hiring casual labor during peak seasons, the diversity and extent of agricultural activities make complete enforcement impossible. In addition, the situation is complicated by the number of smaller employers offering 'in kind' wages such as rice or meat in addition to cash wages.

There is no hard data to support an answer to the question whether or not the Aquino administration is doing a better job in enforcing minimum wages at the farm level. However, the administration is placing increasing emphasis on improving farm and rural incomes.

ECONOMIC ASSISTANCE FOCUSED ON BASE AREAS

Mr. Leland: Is our understanding accurate that since 1985 AID has stopped concentrating aid programs in the areas around the U.S. military bases? What kind of shift has there been? Why were the programs concentrated around military facilities in the first place?

Answer: The AID program in the Philippines has never focused exclusively on areas surrounding the military bases at Clark and Subic Bay. In the early 1980's that part of the ESF associated with the Military Bases Agreement (MBA) was concentrated on the bases areas. This followed USG-GOP agreement to improve the socio-economic conditions of these areas. However, our ESF assistance has increased beyond the levels called for in the best efforts pledge and the amount of ESF focused on areas around the bases has correspondingly declined as a proportion of the total ESF program.

In addition, we have maintained a Development Assistance program and a food aid program. In FY 1988, for example, our Development Assistance to the Philippines is \$40 million and our food assistance will amount to over \$60 million. Activities supported by these funds have always been nationwide in scope.

SEPARATION OF ECONOMIC ASSISTANCE FROM MBA

Mr. Leland: Would it not make sense if we really are trying to assist in the long-term development of the Philippines -- and eliminate the suffering of million of very poor people -- to separate the base agreement payment from the foreign aid program? How can AID tackle long-term problems if your funding levels are dependent upon such extraneous issues?

Answer: The perception among Filipinos that the ESF assistance provided in accordance with the best efforts pledge associated with the Military Bases Agreement constitutes 'rent' paid in exchange for continued use of the military facilities does complicate the attainment of our development goals. However, the USG does not accept this view of our economic assistance as 'rent' and this has been clearly enunciated by the Secretary of State.

We have, therefore, been able to maintain the development goals of our economic assistance program. Proposed uses of our economic assistance are, and will continue to be, thoroughly reviewed, discussed and agreed between our AID Mission in Manila and the GOP, and specific activities subjected to normal AID planning, implementation, monitoring and evaluation requirements, in accordance with applicable laws, regulations, and operating procedures.

It should also be noted that not all of our economic assistance to the Philippines is related to the Military Bases Agreement. Historically we have maintained Development Assistance and Food Aid Programs which are not linked to the Bases Agreement.

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MALNUTRITION IN NEGROS

Mr. Leland: Mr. Gomez, what is the situation regarding malnutrition on the island of Negros? The Committee has seen reports painting a terrifying picture of suffering on the part of large segments of the population.

How many people in Negros province are malnourished? How many of these are being reached by international feeding programs? By U.S. feeding programs?

Answer: Malnutrition remains a serious problem in the Philippines -- the GOP estimates that 34 percent of all households have less than eighty percent of the Recommended Daily Allowance (RDA) of proteins.

In the island of Negros, where the collapse of the sugar industry produced long-term unemployment among the poorest groups of the population, the GOP estimates that approximately 25 percent of the children under 14 years suffer from second or third degree of malnutrition. In provinces of Negros Occidental and Negros Oriental approximately 30 - 40 percent of the children under 14 years (roughly 318,000 - 424,000) suffer from second or third degree malnutrition.

AID supplies CARE and CRS with P.L. 480 Title II commodities to implement feeding programs that will reach the population at risk. In 1987 and 1988 CARE and CRS distributed \$26.6 worth of food commodities. By late 1987, given the economic and

the relief efforts, the incidence of third degree malnutrition decreased more than 28 percent over the 1986 levels. Similarly, second degree malnutrition decreased more than 7 percent. First degree cases have risen about 2 percent and normal cases 5 percent.

CARE, in collaboration with the Department of Education, Culture and Sports, reaches about 1.5 million children nationwide under a primary school nutrition program. CARE also implements an emergency feeding program directed at 362,000 malnourished children in Negros. CRS, through day care centers operated by the Department of Social Welfare and Development, reaches 400,000 pre-school children. CRS also assists social action centers operated by the Catholic Church under the auspices of the Department of Health to serve 520,000 children.

The only significant international feeding program in Negros was sponsored by UNICEF -- which conducted a pre-school wet feeding program, from November 1985 through 1986, that reached approximately 86,000 beneficiaries. The program ended in 1987 and AID arranged for CARE to take over and expand the program from UNICEF.

Mr. Leland: Mr. Gomez, what impact have the decreasing U.S. sugar quotas for the Philippines had on the sugar economy of that country since 1980? What effect would restoration of the quota levels of ten years ago have?

Answer: Sugar production in the Philippines was fairly stable during the 1973-84 period, at levels in the range of 2,250 - 2,450 thousand metric tons (TMT) for all but two of those years. After 1984, production dropped steadily to 1,300 TMT in 1987. The volume of exports dropped by a similar order of magnitude -- about 1,000 TMT -- comparing 1978 and 1979 with 1987. In value terms, sugar exports peaked in 1980 and 81 (about \$600 million each year) when free market international prices were exceptionally high (on the order of 24¢/lb). Exports fell to \$250 million in 1984; and further to \$60 million in 1987.

Employment in the sugar industry was 500,000 in 1984 (almost 3 percent of total employment). Recent estimates indicated that about 100,000 sugar workers are either unemployed or underemployed.

The major factors in these declines have been the steep drop in international sugar prices and the sharp decline in U.S. sugar imports from the

Philippines. Past sugar imports by the U.S. from the Philippines were about 40 percent of total Philippine exports. With the imposition of quotas, imports dropped to 340 TMT in 1982/83; 130 TMT in 1987; and 100 TMT in 1988. This accounts for about half of the 1,000 TMT decline in production and exports since the late 1970's.

Free market international prices dropped sharply after the early 1980s, from an average level of 23¢/lb. in 1980/81 to a low of 4¢/lb. in 1985 and nearly 7¢/lb. in 1987. This compares with an average price of around 20¢/lb. paid by the U.S. for its restricted imports; a slightly lower price paid by the European Community; and high prices paid by Japan and the USSR. These protectionist policies have played a major role in lowering both price and volume demanded in the free international markets, by encouraging production and discouraging demand in the protected markets.

Restoring the U.S. import quota to the levels of around 600 TMT that prevailed 10 years ago would potentially represent a large stimulus to the Philippine production and exports, especially at

a price around 20¢/lb. In value terms, exports would rise by about \$220 million. However, this would not be either an efficient or reliable solution to the problem of production, employment, and foreign exchange in the Philippines. Given the generally unpromising prospects for the international sugar market over the medium term, the Philippines would be better advised to move out of sugar and diversify its agricultural production into higher value crops.

AID PROGRAMS IN NEGROS

Mr. Leland: Does the U.S. Government have any significant aid programs in Negros Occidental province aimed at helping sugar workers on increase their income or grow additional food?

Answer: AID does not have a specific program targeted at the sugar workers of Negros Occidental. However, on a national basis AID is working with the GOP to implement an economic policy reform program to establish a market-oriented economy that will create new jobs, particularly in rural areas such as Negros.

SUBMITTED BY HON. BILL EMERSON

ECONOMIC POLICIES

Mr. Emerson: What are the economic policies that have contributed to the inability of the Vietnamese to grow enough food?

Answer: Economic policies that have contributed to food problems in Vietnam include: the Socialist Republic of Vietnam (SRV) making decisions on the price of agricultural produce such as rice, the SRV discouraging private land ownership and the SRV making decisions on which crops to grow. The situation is further aggravated by an overvalued exchange rate, inflation caused by excessive credit and budget deficits and shortages of fertilizer and other inputs.

NUMBERS OF MIA's

Mr. Emerson: How many American servicemen are missing in action in Vietnam? How many crash sites would the United States like to investigate for the remains of MIA's, and how many have we been able to visit? At the present pace of cooperation and investigation, how long will it take to visit all the crash sites?

Answer: Our most recent statistics show, the cases of 1,762 Americans missing in Vietnam are still unresolved. American and Vietnamese authorities have made only one joint crash site excavation since the end of hostilities. There remain more than 200 sites where our data appears complete enough to support survey and possible excavation.

MONITORING DISTRIBUTION

Mr. Leland: If U.S. food aid were sent to Vietnam, how would we monitor its distribution and that it reached only civilians in need.

Answer: We currently have no plans to provide any assistance to Vietnam and we do not believe it is warranted by the current situation in Vietnam. If at some time in the future we decide to provide assistance, including food, which because of current legislation is prohibited, it would only be done through an organization such as one of the U.N. agencies or U.S. private voluntary organizations that have the experience and expertise to ensure food deliveries reach intended beneficiaries. We would insist on getting regular and complete reports of food distributions. In addition, if at all possible we would arrange for independent monitoring and evaluation of food distribution to ensure it actually reached those most in need.

AGRARIAN REFORM

Mr. Emerson: The Philippine Congress recently passed land reform legislation. What is your assessment of this legislation? Is the United States prepared to support the program with the financial resources that are needed to compensate landowners?

AID is currently discussing with the GOP the use of the \$50 million ESF earmarked in the FY 1988 Continuing Resolution for agrarian reform. We do not plan to use assistance funds to compensate landowners. The Government is expected to finance compensation while foreign donors, including the U.S., fund such areas as rural credit, extension and support services, infrastructure development and strengthening the institutional capacities of GOP implementing agencies.

MILITARY BASES AGREEMENT

Mr. Emerson: What is the status of the negotiations over the future of U.S. military bases in the Philippines? How much aid is the Philippine government asking for in exchange for renewed base leases? Are these demands and other conditions reasonable?

Answer: Since A.I.D. is involved in only one or two of the many issues associated with the on-going review of the Military Bases Agreement, we do not know the status of the full negotiations. We have to defer this question to the State Department under whose responsibility the Review is being conducted. The current discussions include consideration of economic assistance for FY 1990 and FY 1991 but it is premature to discuss them at this time. Congressional consultations and approval of any assistance levels will of course be sought at the appropriate time.

OTHER DONOR SUPPORT TO THE PHILIPPINES

We are hopeful that Japan will play a major role in the multilateral assistance initiative mentioned above and that other economic aid donors continue to increase their level of aid to the Philippines. Korea, Taiwan, and Singapore's economic aid programs to all countries are very small and are channelled mostly through the Asian Development Bank. Consequently, their economic assistance to the Philippines is negligible when compared to larger aid donors. However, we are hopeful that Korea, Taiwan and Singapore may be able to play a valuable role in the multilateral assistance initiative, most likely through private investment.

The following table is indicative of the increased levels of assistance to the Philippines.

ODA COMMITMENTS BY MAJOR SOURCES
1986 to 1988 (in Million U.S. dollars)

	1986		1987		1988 3/	
	GRANT	LOAN	GRANT	LOAN	GRANT	LOAN
Japan	80.37	357.58	102.04	546.17	92.31	724.68
Australia	12.00	----	17.8	----	19.64	----
West Germany	10.5	2.0	13.0	6.44	----	----
Italy 2/	----	----	----	----	30.0	60.0
Canada	8.57	----	19.68	----	16.83	----
IBRD	----	151.0	----	337.0	----	610.0
ADB	2.5	316.0	1.83	43.5	6.0	315.86

1/ All data are expressed in calendar year except for Japan and Australia whose FY runs from April/March and July/June respectively.

2/ Italy promised to provide \$270 million over three years.

3/ Current best estimates.

United States Department of State

Washington, D.C. 20520

JUL 8 1988

Dear Mr. Chairman:

Thank you for your request for State Department comments on House Concurrent Resolution 271, which would express "the sense of the Congress that the President should negotiate with the Government of Vietnam to establish interest sections in the capitals of both countries for the purpose of resolving specific issues between the countries."

The Department opposes this legislation. We believe that its passage would undermine efforts to secure the withdrawal of Vietnamese troops from Cambodia and an acceptable end to that conflict.

The illegal Vietnamese occupation of Cambodia is the central issue in our relationship with Vietnam. The United States, along with most nations of the world, supports the struggle for a free and independent Cambodia. We are committed to the political and economic isolation of Vietnam as a way of forcing Hanoi to negotiate an acceptable settlement. We have made clear that we are prepared to discuss normalization only in the context of an acceptable settlement in Cambodia which includes the complete withdrawal of Vietnamese troops. We believe that this policy has effectively driven home to Hanoi the cost of its Cambodian aggression and we are encouraged by indications that Hanoi may be rethinking its policies.

Were the United State to establish reciprocal interest sections, as is called for in the proposed legislation, this would represent a clear change of the policy, which we have adhered to since the invasion of Cambodia, of supporting the economic and diplomatic isolation of Vietnam. Hanoi would see this change as an important political gesture -- and as a significant political triumph. To those committed to the struggle for a free and independent Cambodia, including our ASEAN allies, most nations of the world, and Cambodian noncommunist resistance led by Prince Sihanouk, the establishment of interest sections would be viewed as a signal of weakening American resolve to stay the course until all of the Vietnamese occupation troops have left.

The Honorable
Dante B. Fascell, Chairman,
Committee on Foreign Affairs,
House of Representatives.

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Passage of the legislation could also have an adverse effect on urgent humanitarian and political issues related to Vietnam, including the question of the unaccounted for Americans lost during the Indochinese war (POW/MIAs), Vietnamese family reunification under the Orderly Departure Program (ODP), Amerasian children and re-education camp prisoners incarcerated by Hanoi because of their previous association with us or the regime we supported. These are all humanitarian issues which the Administration is committed to resolve, and on which we have achieved significant progress in several areas.

We believe this progress has derived from our policy of holding these humanitarian issues separate from the broader political and economic issues which divide Vietnam and the United States. While reciprocal interest sections would do little to enhance operational cooperation with Hanoi (there is no dearth of communications between us, on both policy and operational levels), their establishment would, regardless of legislative language to the contrary, be seen as an important political act directly related to our desire to resolve urgent humanitarian issues. Therefore, by establishing a relationship between political concerns and humanitarian issues, this resolution would, we believe, work directly against our interests in those important humanitarian areas. Vietnam should resolve those issues, with no regard to Cambodia or other political considerations, through the mechanisms already in existence.

The Department of State believes strongly, therefore, that the legislation would be detrimental to United States' interests and objectives and we urge that it not be enacted.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

J. Edward Fox
Assistant Secretary
Legislative Affairs

PREPARED STATEMENT OF ROY WILLIAMS, DIRECTOR OF OPERATIONS, INTERNATIONAL
RESCUE COMMITTEE, INC. (IRC)

The International Rescue Committee first became involved in the situation in Pakistan in an attempt to assist the refugees fleeing the effects of the Soviet invasion. Our program was a small one. It was an example of the typical IRC medical/public health program focusing upon basic preventive medical care.

In a sense, this was a reactive program. It grew as the need grew and certainly early on no one gave much thought to doing more than responding to this need. In other words, we were not doing long-range planning anticipating the return to Afghanistan of the increasing number of refugees we were serving.

In spite of this, however, the programs naturally developed in a way that corresponded, at least in part, to the long-term needs of Afghan society. In retrospect, it is now clear that this was because the relationship with the Afghan community we were serving was a close one. It was not a matter, as it has been in other societies, or other refugee situations, of settling on a course of action and simply imposing it upon some passive recipients. The Afghans participated actively in determining when, where, and how services would be delivered. We therefore were, without being aware of it, developing a relationship that would be useful in the long term.

For example, it became evident early on that the use of Traditional Birth Attendants would be a boon to the program. However, in rural Afghan society it was not usual for women to work outside of their family surroundings. It was a long time before understanding on both sides enabled us to finally develop the program whereby these women could be trained and eventually serve members of their community outside of their immediate family.

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We should note as a background to all of this that Afghan society became more restrictive in some regard in Pakistan than it would normally have been in Afghanistan. This is a not atypical reaction of a society whose very roots have been threatened.

Another example can be drawn from our education program. It is my understanding that education for women has gone through many phases of acceptance in Afghanistan itself. This notwithstanding, one can find a rather high percentage of well educated Afghan women in a population whose overall educational level is anywhere from 10 to 15 percent, which is among the lowest in the world. Early on, we felt the need to provide education to young Afghan women and finally succeeded in opening a school through a long and delicate process of negotiation. There are still patterns of resentment evident in some elements of the community against the school and one must feel that this is largely based upon this fundamental sense of threat to their culture.

This growing diversification of our programs followed this pattern of increasing understanding in the community. We now are involved with primary medical care, education, and income generation. Income generation naturally ties into the education program in the sense that training of, for example construction engineers, is reinforced by their working in construction projects that actually produce income for the Afghan community-- a variation of on-the-job training.

The paper that you have received in your packets summarizes the IRC programs very briefly and I won't repeat this in detail. What we are concerned with today, however, is how these programs relate to the prospect of resettlement that we all face. I think it is fair to say that in order of priority, it is most likely that medical and public health will lead the way.

We have been told by Afghan leaders that they see medical as being a first priority and education close behind. This in the context of resettlement.

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It is in this regard that we feel that the extensive training of Community Health Workers, Lady Home Visitors and Traditional Birth Attendants will be a key aspect of our relationships to the communities on the other side of the border. It is the role of the Community Health Workers to go out into the community to find and bring into the clinics those refugees in need of services. They also serve as trainers to their associates in simple areas of oral rehydration therapy and sanitation. We are discussing here the basic elements of survival in developing countries.

In addition, these CHWs serve as the registrars for the community. We feel that their records of family size and composition will be the basis of the essential information needed to determine needs for food and shelter.

The basic health unit has been the mobile arm of our medical program. There are eight such units at present and we see every reason to assume that they could serve as the fundamental outreach unit.

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The types of services that have been offered in the Hangu area will need to be continued. What we envision is the establishment of a hospital within each province. This would serve as the headquarters for medical services and medical training. Additionally, from these hospitals public health services would be developed with IRC's current community health supervisors in the sub-provincial centers and the community health workers in the villages. This three-tiered network could facilitate a flexible system of health care for each province. It would also be very similar to the system that IRC has developed in Hangu. The present IRC health staff would resume responsibility by serving in their own villages where their familiarity and potential for influence is the greatest.

The refugees IRC has been assisting for the past eight years are from the Afghan provinces of Paktia, Logar, Nangarhar and Kabul City. These provinces border Pakistan and are not very far from our base of operation in Hangu. Of the approximately 193,000 Afghans we serve, about 108,000 are from Paktia, 38,000 from Logar, 16,000 from Nangarhar and 29,000 from Kabul. (These figures were obtained by a survey conducted by the IRC Community Health Worker Program in March 1988).

It is not known when these refugees will return to Afghanistan. We assume the soonest will be some time in the Spring of 1989, but there is a possibility that some could return sooner. This is based upon political reality (the Russians do not start withdrawing troops until May 15 and will not finish until mid-February 1989) and practical reasons (Spring is the best time to plant in Afghanistan. Some of the people in other rural occupations may return as soon as land is secure, however, and not wait until all the Russian troops have left and another government is in place in Afghanistan). The Alliance is considering the establishment of a government under the direction of Ahmad Shah in an area bordering Nangarhar and Logar province. If this is done and if the area becomes secure, it is possible that they will want some of the refugees who live in our camps to begin to return. It is impossible to predict if this will occur, but if it does, it could be some time in 1988 and IRC should be prepared to act.

Each one of these provinces has different problems. Among them Logar is in the worst condition. We understand that Logar has few people living in it anymore and would require massive reconstruction work. Nangarhar (whose provincial capital is Jalalabad) is on the main road from Peshawar to Kabul. The horticulture in Nangarhar is supposedly still doing well, but because of its strategic location, the political situation is very complex and tense. Paktia may be one of the first provinces where refugees return as many people in Paktia are not agricultural farmers and the Afghan resistance has been strong there. All of these provinces, however, will require work in the following areas:

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1. Removal of anti-personnel mines: This will have to be done before any resettlement or reconstruction can take place. Detection and removal equipment, along with trained personnel, will be required.
2. Irrigation and Agriculture: Approximately 85% of Afghanistan's pre-war agriculture depended upon irrigation

systems. Many are no longer functioning due to bombing or lack of repair. IRC is already doing this type of work in Hangu through our sanitation/water supply program, which has established an infrastructure that provides water to all of the refugees in the camps we serve. More Afghan engineers, agriculturists, seeds and equipment will be required.

3. Reconstruction of roads, bridges and houses: Many of the primary roads have been targets in the war and smaller roads have been badly damaged. Since many of the trees have been destroyed or taken and not replaced in the provinces, Afghans will need assistance in assembling roof supporting beams, which used to be made out of wood. This will require an expansion of our very successful Construction Program in Hangu.

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4. 5. Education: Very little education exists in these provinces and many Afghan children living in our camps who are now adolescents cannot read and write. A literacy and primary school program will need to be developed. In Kabul and province capitals secondary and higher education will need to be established. When it is safe, the majority of IRC's educational programs which operate out of Peshawar would be transferred to Kabul or Jalalabad if permission is granted by the new government.

In addition, administrative and logistic support will need to be provided in these five areas.

In preparation for this reconstruction the following needs to be undertaken immediately:

1. Information needs to be gathered about the present condition in these provinces and Kabul. We would need information on the present state of agriculture, the population distribution, condition of roads, state of education and medical projects, the political situation,

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etc. We need to contract a cross border assistance agency to gather this information for us. Additionally we will need to hire an expert on Afghanistan to analyze the information.

2. A representative of IRC will need to begin to have meetings with commanders and party leaders who are active in these provinces since their permission will be needed in order to assure the safety of our workers.
3. Equipment for logistic support for reconstruction will need to be purchased as soon as possible. This will include trucks, buses, cement, construction equipment, and tents. It can take from 3 to 8 months to get such equipment into Pakistan. To wait and order the needed supplies when the refugees begin to return will be too late. In addition the Karachi port will probably be backlogged more than it is at present when the refugees do begin to return.
4. Village representatives need to be selected. Already a survey has been undertaken in our camps to determine what village each family is from. We will then proceed through our Community Health Workers Program to break the Afghans into village groups in order to select representatives from different villages to begin discussions on what assistance they think they will need to return to their village. Since some of these people are mujahideen or have traveled between the camps and their villages in the past eight years, we will also ask them to begin to describe the present conditions inside their village. This information will then be given to the Afghan expert, who will bring it and the data collected from the cross border assistance teams together, and write an analysis. Technical experts will then use the data to formulate specific reconstruction plans. Representatives of IRC will also be in constant communication with the representatives of the village groups to communicate our plans to them and to hear their suggestions.
5. We immediately need to begin to train more Afghans in the area of health and engineering from the provinces we intend to work in.

What is not included in these plans is food distribution, since we have been informed that the World Food Program/UNHCR will be distributing food inside Afghanistan.

IRC has the expertise to carry out these plans. They will be developed with the full participation of the people that we will be helping to return and their chosen political leaders. The Afghans working for us now are some of the most dedicated and talented people in the refugee community. What they have done in Pakistan can also be done in Afghanistan.

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Conclusion:

The past eight years has seen the evolution of a powerful apparatus for the provision of human services. The need for these services will not disappear with the withdrawal of Russian troops. As a matter of fact in our view it will increase. }

Resettlement is a complicated process at best. In Afghanistan we are describing the worst possible circumstances in our experience.

Further, we have, over this period, introduced a high standard of health care into the Afghan community. Nutrition levels are above those known before the war. Immunization has reached individuals who had no previous exposure to such preventive measures. We are here talking about enhanced expectations, the imponderable element in the upcoming resettlement process.

Finally, and perhaps the overriding concern, is that we do not retreat from a level of support given the Afghan people simply because a political settlement has been reached. If anything, the need is greater in human terms. On every level, we must rebuild. This will cost a great deal. Failing to seize this opportunity and meet this responsibility will eventually cost a great deal more.

6/15/88

PREPARED STATEMENT OF HOWARTH BOUIS, RESEARCH FELLOW, INTERNATIONAL FOOD
POLICY RESEARCH INSTITUTE

INTRODUCTION

Hunger and malnutrition in the Philippines are chronic, demand-driven phenomena, only marginally related to short-run fluctuations in domestic food output. In this sense, the situation in the Philippines can be distinguished from the emergency situation in Africa, which (at least in the short-run) is a supply-driven phenomenon caused by poor weather. What this means is that the Philippines essentially produces enough food on average to meet the caloric requirements of its population, but because of a skewed distribution of income, poor families do not have enough money to buy the sustenance that they need, despite spending 75% of their incomes on food.

This chronic problem has been greatly exacerbated by the recent downturn in the Philippine economy, precipitated in October of 1983 by the Marcos government's inability to meet its foreign debt obligations. In order to restructure this debt, the Marcos administration -- in negotiations with the International Monetary Fund -- agreed to a package of economic policies that quickly equalized import and export levels, but at the expense of a severe contraction in the economy. Real per capita income dropped by 15% over a three-year period. Unemployment rose sharply.

In the past year, the Philippine economy has begun to grow once again, as real interest rates have come down and factories reopened. However, what was a \$3 billion foreign debt when Marcos declared martial law, is now approaching \$30 billion. A large portion of the debt is held by the Philippine government as a consequence of loans for private, commercial projects which were guaranteed by the Marcos government and which failed, and thus constitutes a considerable drag on the economy's capacity for investment and growth.

The constraint of an unexpandable land base, in the context of high rates of farm tenancy and population growth, make economic development difficult at best, so that the prospects for improving the lot of the poor were dim anyway. Add to that the enormous burden of the debt and a fragile legal and political system, and the situation is very serious indeed. The poor, already malnourished, are getting poorer.

Unfortunately, the sums of money that are probably needed to turn the situation around are large, probably more than the United States and other developed countries would be willing to provide in development assistance. In order to understand what the United States might do to help the poor, the dimensions, origins, and solutions to the poverty problem are discussed very briefly. In my opinion, the three key areas for action are (1) debt relief, (2) increasing agricultural productivity, and (3) encouragement of the participation of the rural and urban poor in the political processes. More specific recommendations for action conclude the paper.

DIMENSIONS OF THE POVERTY PROBLEM

The last year of positive economic growth rates under the Marcos government was 1982 (Benigno Aquino was assassinated in August of 1983) when average annual GNP per capita reached its peak at about \$700. Income distribution data show that the poorest half of the population earns about 20% of total income, so that their average per capita income was in the vicinity of \$150 per annum in this relatively good year. An average-size household of 6.5 persons in the bottom half of the income distribution, then, subsisted on an annual household income of about \$1000, or \$2.75 per day.

A nationwide nutritional survey was undertaken in 1982, based on a random sample of the national population. Tables 1 and 2 provide data on calorie intakes at the household level and on the prevalence of stunting and wasting among pre-schoolers. Table 1 shows that of the 4 million or so households in the bottom half of the income distribution, on any given day about 40% (1.6 million households) were consuming below 80% of their recommended daily calorie intakes, in some sense going hungry.

These household-level data are misleading in the sense that they do not show how calories are distributed among household members. Surveys which were undertaken (as part of a research project which I directed in Mindanao) for a rural population with an average per capita income of \$120 per annum, showed that pre-schooler calorie intakes (as a percentage of requirements) were well below those their parents, who faced the difficult tradeoff of providing sustenance for their children, as well as for their own energy needs in undertaking the strenuous work of earning income.

Low calorie intakes, among other factors, lead to below normal weight and height gains among children. Table 2 shows that in 1982 about one in five pre-schoolers (out of a total of 9 million) were considered stunted, height-for-age being a long-run indicator of a child's nutritional status since birth. One in ten pre-schoolers were found to be wasted, indicating a relatively recent drop in weight for their height.

The data cited are for 1982 which, as has already been mentioned, was a relatively good year in economic terms. Since then GNP per capita has fallen to around \$600 per annum (in 1982 dollars). Sketchy data suggest that now one in four Filipino pre-schoolers are stunted (out of a total of 10 million).

Data such as those just cited, while important to collect and analyze, often do not really convey the human suffering that they represent. In order to attempt this, and partly because it brings out other points that I would like to emphasize later on, I would like to share the following story of a sugar cutter's family, one of ten households which we studied in some detail (with the assistance of Filipino graduate students who lived in the study barrios for fifteen months) as a small part of our Mindanao research project.

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One day one of the students and I walked out to a sugar laborer's shack which was situated by itself on the edge of a hacienda. As luck would have it, both the mother and father were out working on the hacienda that day (the practice was for prospective workers to show up early each day to find out if work would be available) so we decided to wait for their return. Their seven year old daughter, their eldest, was not sure when they would be back. She had been left in charge of her two brothers, a one year old and a two year old. This surprised me a bit (our son was one year old at the time), but there was really nothing else the parents could do. They spent about 80% of their meager income on food which consisted mostly of corn grits. Some days they managed only one meal. They were lucky that today they both could earn some money. We sat down to wait. The one year old started to cry. "Your brother is hungry, feed him." "All there is is corn grits [which have to be boiled]. I'm not allowed to start a fire. My parents are afraid that I will burn the house down." So he cried off and on for the next two hours while we just listened. I understood why his older brother was about the same size.

The father came home and boiled some corn grits. The crying stopped. At one point we all glanced up at the haciendero's airplane flying overhead. The father (in his late twenties) told me his story (the student translated). He had grown up in Negros where his father had been a sugarcane cutter. He himself had worked as a sugarcane cutter in Negros, but had come to Mindanao where he heard wages were better. Yes, life was better in Mindanao, although not as good as he had hoped. He had left Mindanao and tried to find work in Cebu, but couldn't find anything. So he was back. Sorry, but all he had to offer me was corn grits.

We had to leave before the mother returned home, but it wasn't the last I heard about her. The stay in the barrio ended for the students. They went back to the city to summarize their data and write their theses. Several months later the same student returned to the province to visit and found that the mother had died as a result of complications due to childbirth (most people give birth right in their homes). He sought out the father to ask what had happened. She had gotten sick after giving birth and died three weeks later in their one room shack without ever having seen a doctor. The baby died soon after. No milk. "Why didn't you bring your wife to a doctor?". "No money". "Why didn't you go to the haciendero and ask for help?" "I was ashamed." Shortly after the student told me the story, he gave up on his thesis and left the university.

THE CAUSES OF RURAL POVERTY AND ORIGINS OF SOCIAL UNREST

About ten million hectares of arable land are farmed each year in the Philippines, with very little scope for expansion. Total population in the Philippines will exceed 60 million by 1990. If we conservatively estimate that only half of the population lives in the rural areas and that only two rural families out of three are directly engaged in agricultural production, this works out to one-half hectare of arable land for each member of a farming household, an area somewhat

less than the size of a football field. This simple fact of extremely high population densities not only explains why rural poverty is such an intractable problem, but constrains and conditions all aspects of government policy toward agriculture, which of necessity must be geared toward increasing yields, raising land productivity. This may be contrasted with development of agriculture in the United States where land is relatively abundant and mechanization has led to increased labor productivity.

A second fundamental fact of life in rural areas is that social relations can be characterized as "semi-feudal" (for lack of a better term). There is a tradition, which is a throwback to Spanish times, of poor, uneducated peasants showing deference to the wealthier landowners, who more or less have reserved for themselves the right (in practice, if not constitutionally) of controlling local politics.

For literally centuries, this was a more or less stable setup in that land was relatively abundant and labor was relatively scarce, so that it was in the landlords own interests to treat tenants fairly, accepting certain social responsibilities to help out with such things as the educational expenses of tenant children and providing "loans" in emergency situations. Tenants could, after all, switch landlords or migrate to other parts of the country if they felt they could improve their situation, options (from the tenants' point of view) much to be preferred to confronting the status quo.

This system began to break down (initially in Central Luzon which is the most densely populated rural area) as land ran out, the labor supply increased (rapid population growth), and the bargaining position of the landlords was thus strengthened. The poor realized that their standard of living was going down, at the same time as the landlords less and less frequently fulfilled their social obligations. Naturally, this led to resentment on the part of the poor and attempts to confront the status quo by participating for the first time in the political system. The landlords, just as naturally, resisted these efforts at participation. Those who felt that peaceful change through the political process was too slow or impossible, opted for change through armed force.

These were the origins of the Huk rebellion in the 1950s in Central Luzon, and essentially the same scenario is being played out today in other parts of the country. Some differences between then and now are that the rebellion then was confined to one part of the country, there was open land in other parts of the country to which "surrenderers" could be settled, and perhaps most importantly of all, President Magsaysay made rural development the centerpiece of his administration's program. He substantially increased government spending in rural areas and, even if his efforts had little lasting effect, while he was President he convinced the rural poor that the national government was trying to do something for them.

The rhetoric is once again in place in terms of making rural development the focus of government policy and investments. Yet even if the particulars of this general strategy were identifiable (in

terms of crops to be emphasized, types of infrastructure to be built, price and credit policies), there would be insufficient funds to implement the strategy because of the capital drain generated by the foreign debt. On the issue of land reform, it is becoming increasingly clear that the present effort is following much the same pattern as legislation undertaken under Presidents Magsaysay, Macapagal, and Marcos, i.e. marginal transfers of land undertaken over an extended period of time at rates of compensation which favor the landowners.

By no stretch of the imagination can the system operating in the Philippines today be called truly democratic, in the sense that the interests of the poor are being represented by the members of Congress or local government officials, in proportion to their majority in the population. For example, in the Congressional district in which I undertook my research, a wealthy haciendero (a protege of Roberto Benedicto, Marcos crony and sugar czar) was elected to the House of Representatives. He formed a political alliance with the local leader of President Aquino's party (who has since been elected the governor) to defeat the family that had monopolized local politics there before martial law. Imagine, if you can, our sugar cutter, unwilling even to ask his employer for a loan to save his wife's life, approaching his haciendero congressman to support land reform legislation.

The key question in my own mind is the extent to which (and at what speed) the present system can evolve so that policies more nearly represent the interests of the majority. How quickly can an old way of life be disposed of and a new one put in its place? The task of confronting the status quo in the rural areas within the existing political framework is much more difficult than in urban areas, simply because the anonymity of one's own political views is virtually impossible to maintain. This gives local politicians tremendous leverage in maintaining the status quo by threatening to withhold income (in various ways; for example, our sugar cutter who shows up each morning hoping for work) from those who are "uncooperative."

When the threat of loss of income is not enough, force can be resorted to. Before martial law, this type of intimidation was undertaken by "private armies." In the waning years of the Marcos era, these groups were called "civil home defense forces." Today they are called "vigilantes." This type of threat intimidates not only the poor, but those who would otherwise be willing to educate and organize the poor within the existing political system.

Abuses by these vigilante groups have been amply documented recently both in a report by Amnesty International, and in a report signed by a majority of Philippine Senators who were members of a committee which held hearings to investigate these abuses. The Philippine Senate report called for a dismantling of the vigilante groups, which have been armed and promoted by the Philippine Armed Forces. There are, of course, many members of the Philippine Congress who realize that reforms are urgent. However, they tend to be urban-based.

ELIMINATING RURAL POVERTY

Because population densities are so high in rural areas, the ultimate solution to raising rural incomes is for the Philippines to industrialize, to move a significant portion of the population off the land and into the cities, so that the land/labor ratios can eventually rise -- more land per farmer. This eventuality is still several decades down the road, and the reality is that population densities will get much higher before they fall. It perhaps goes without saying that slowing the population growth rate is essential to this whole process (the growth rate has come down from above 3% in the 1960s to somewhere in the 2.0-2.5% range in the 1980s). However, there is a certain momentum to population growth that can be arrested only over a long period of time. The most optimistic projections show the total population levelling off in the 80-85 million range, and this is perhaps an unrealistic expectation even if family planning programs are given a high priority. In the meantime, assuming that somehow sufficient resources are available to pursue a vigorous rural development strategy, what kind of steps need to be taken to develop agriculture and raise rural incomes, which the Aquino administration has stated time and time again is its first priority?

The main accomplishments of the present administration thus far have been to greatly reduce government intervention in the operation of agricultural markets, and to adjust macroeconomic and trade policies, so as to reduce a bias against agricultural prices, which had been kept artificially low. This is all well and good. However, in my opinion this will do little by itself to substantially raise aggregate agricultural output. Estimates of long-run, aggregate supply response generally fall in the range of 0.1 to 0.2. What this means is that if agricultural prices rise say by 25%, total output will rise by only 5%, spread out over several years.

The historical experiences of Japan, Korea, and Taiwan demonstrate that the public sector has an important role to play in developing and disseminating new agricultural technologies (higher yielding seeds) and in providing irrigation, roads, and other infrastructure, which are necessary inputs for increasing land productivity. Small-holder corn producers in my study area in Mindanao, for example, continue to plant the same varieties today that they did fifteen and twenty years ago (when they first settled newly logged over areas), without adding nutrients back to the soil. Our surveys indicate that they have consequently experienced a 50% decline in yields over this period. Through extension, these farmers could be made aware of some fairly simple, low-cost steps which would improve soil fertility and yields using the same varieties. Or government credit programs in conjunction with extension efforts, could make available even more profitable open-pollinated or hybrid technologies. These types of government programs would allow farmers to realize higher incomes even if food prices fell somewhat, a desirable outcome from the point of view of the urban poor.

If these opportunities for productivity-increasing investments are not exploited, because the Philippine population continues to increase

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by more than one million persons each year, a very real danger is that the government will have to begin to spend scarce foreign exchange to import large quantities of cereals to keep staple prices at reasonable levels for the urban poor. It may already be too late with respect to rice, in the sense that there are considerable time lags involved between the time that public sector investment decisions are taken and the realization of higher rice production from those investments.

Between 1965 and 1980, the Philippines nearly doubled its rice production by doubling yields, transforming itself from a perennial importer of rice to modest exporter. Research that I undertook several years ago on the sources of growth in rice yields indicated that most of this growth was due to farmers switching from traditional to modern varieties, a source of growth which no longer existed after 1980 as most of the rice land had already been converted to modern varieties. Moreover, most of the large gains in rice yields over time of the modern varieties themselves were being realized in regions which were the last to adopt modern varieties. This indicated to me that the "pipeline," so to speak, had run dry of new technologies, that the trend growth rate in rice yields could not be sustained, and that rice yields would reach a plateau. Yet another unfortunate legacy of the Marcos administration is that investments to increase rice productivity were ignored as the momentum of past investments produced surpluses. The Philippines, whose population has nearly doubled since 1965, is once again importing rice, with very little money to fill the investment pipeline.

Because of the large foreign debt, there is obvious pressure on the government to increase agricultural exports. Agriculture's share of total export earnings has declined from 90% in 1950 to only 41% for 1981-83. The share of coconuts and sugar in agricultural exports has declined from 75% to 50% over the same period, indicating some diversification within agriculture, although these share figures depend to some extent on international prices which are highly variable. Because it is thought that the medium- to long-term world demand for coconut and sugar products will not be strong, and because of a desire to diversify its agricultural export base, government attention is likely to focus on "non-traditional" export crops to increase export earnings, eg. bananas, coffee, rubber, cacao, and palm oil. Does it make sense to grow and export non-staple crops in a country where many people go hungry? Does such a strategy have a detrimental impact on nutrition? This last question was the central focus of my research project in Mindanao.

We studied an area that had switched from semi-subsistence corn production to sugarcane growing. Despite the low prices prevailing for sugar, small landowners that were able to switch to sugar realized substantially higher profits from sugar production than corn production. Their incomes went up, they spent more for food, and in many ways were better off for having adopted sugarcane production, although for a variety of reasons, we could find no significant differences between the heights and weights of sugar household children and the children of lower-income households that produced corn. That is on the plus side.

On the negative side, the introduction of sugarcane led to a consolidation of small-holder farms into larger operational units, a kind of reverse land reform. Some small landowners sold their land to larger, wealthier landowners. More typically, however, corn tenant households lost access to land when their landlords either decided to sell their land, or to convert to sugarcane production and hire in labor. Children from households without access to land, such as the sugar cutter's family, were found to be significantly more stunted than children from households with access to land.

The reasons for the consolidation of landholdings appear to be related to the better know-how and financial capabilities of the richer households to adopt new crops, rather than to any inherent economies of scale. If the government does decide to go the route of encouraging export crop production, a conscious effort must be made to reduce the barriers to entry by providing small-holders with credit and know-how through extension and by actively promoting their access to processing and marketing facilities where necessary.

RECOMMENDATIONS FOR POLICIES

What can the United States government do to alleviate hunger in the Philippines? My purpose in drawing such a broad picture of the political and economic situation in the Philippines has been to outline the reasons for my deep pessimism over the prospects for economic growth there, and to provide some context for my suggestions below, which, with the exception of the first recommendation, are very marginal in nature in relation to the needs.

1. Debt Relief

Debt relief can be accomplished either through re-scheduling the debt (fresh loans) or forgiving (paying off) the debt, or some combination of the two. What level of debt can the Philippine economy reasonably handle? I do not know that any careful study has been done to address this question, although we can make a few simple calculations to demonstrate what a large burden the debt represents.

Taking a conservative estimate of the debt at \$26 billion and assuming that 10% interest is paid on that debt each year, gives an annual interest payment of \$2.6 billion. Dividing by between 57 and 58 million Filipinos gives an annual interest payment of \$45 per person. That interest payment can be thought of as a tax on the economy that is paid for in the form of (say) higher rice prices, reduced government services, and lower wages due to lower productivity. No one is quite sure what the incidence of this tax is, how it is distributed among the rich and the poor. We can only hope that people in the bottom half of the income distribution do not pay a full share, for whom \$45 represents perhaps a third of their annual income. For the individual factory worker who is laid off because of a plant closing, however, the incidence of this tax is quite high.

For the sake of discussion, suppose that we arbitrarily undertake to reschedule or forgive say half of the debt. This would require either coming up with \$1.3 billion each year to postpone the problem until next year (forget about compounding), or with \$13 billion in one lump sum payment, or some combination of the two. Alternatively, some economists have suggested that limiting interest payments to 10% of exports would permit normal economic growth. For the Philippines, which before the economic crisis had annual export earnings of between \$5 billion and \$6 billion, this would amount to interest payments of \$550 million a year. Thus, about \$2 billion in interest payments would have to be paid for out of fresh loans, or \$20 billion forgiven, or some combination of the two. These calculations refer to the existing debt, much of which went into unproductive investments. On top of that, new investment to generate the hoped for economic growth would have to be financed out of domestic savings, foreign loans, or development assistance.

My numbers are very rough, but they serve the purpose of showing that the kind of incremental capital needed is in the range of several billion dollars each year, and not in the range of tens of millions of dollars, or even hundreds of millions of dollars. Because the numbers are so large, the "mini-Marshall Plan" that is being talked about for the Philippines is an important step in the right direction, in the sense that other nations are being involved so as to increase the amount of assistance that is possible.

I have no knowledge of what the components of such a plan might be. To the extent that the plan would consist of new loans to pay interest on existing debt, it merely postpones and will perhaps exacerbate the problem rather than solving it, unless one is willing to make a set of fairly optimistic assumptions about the future performance of the Philippine economy, the same kind of optimistic assumptions that economists and bankers and others were willing to make in the late 1970s. It is important not to generate any false hopes in this regard.

In summary, I think it is essential to pursue some form of mini-Marshall Plan, but in the context as much as possible of write-off of the debt and grants. Grants could take the form of the type of agricultural investments described earlier in the paper. I am aware that it will be very difficult to find the political will to fund a package of this magnitude. This is one of the reasons why I am so pessimistic.

2. Food Aid

In 1988 the Philippine government is scheduled to receive \$50 million worth of rice under PL 480, somewhat less than half of that on a grant basis. These imports of rice, when added to the domestic supply, lower the market price for all consumers. About \$19 million worth of powdered milk and other foods are also scheduled to be given out under PL 480 on a grant basis through non-governmental organizations for targetted feeding programs.

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Both would seem to be useful programs as far as they go. I have no particular knowledge of either one, or desire to criticize them. However, in general targetted programs are expensive to administer -- a high cost of identifying and getting the food to the particular persons in need. Rice imports on a grant basis, in contrast, are relatively cheap to administer and benefit everyone, but because so much is needed to bring the market price down significantly, the cost per benefit to someone in great need may be even greater than the targetted food program. The trick, if you will, is to find ways to deliver targetted food, where the costs of identifying the needy and administering the program are low.

If the Catholic Church and other churches are willing, I would propose to tap their knowledge of who the needy are through the local parishes. That the churches might be willing to undertake this occurs to me because of a fund-raising effort by Bishop Fortich, whom I heard speak in Manila, to buy food for the hungry in Negros.

The system would work as follows. All cereal imports arriving in the Philippines under PL 480 would be paid for and distributed by the Philippine government in the usual manner. However, any payments, instead of going back to the United States, would be given to the national church officials who would then distribute the money to the local parishes of their own choosing. The food would be purchased in the local markets and distributed to the needy. This would minimize targetting costs, transportation costs, and administrative costs.

3. The Sugar Quota and Land Reform

The economies of the sugar-producing areas have been hit hard by the fall in sugar prices over the past few years. As sugar land has gone out of production, unemployment has risen along with malnutrition, especially in Negros. United States sugar prices are well above world sugar prices. If the Philippine quota were to be increased, this would raise the domestic sugar price and give a boost to the economies of these sugar areas.

A problem is that the largest hacienda owners would be the greatest beneficiaries of such a plan. The United States could, however, tie increases in the quotas to break up of the largest haciendas under land reform. Some of premium paid between the United States price and the Philippine cost of production could be used to finance extension and credit programs to help small-holders make the transition from landlessness to ownership. A drawback, of course, would be identifying the country or countries whose quotas would be correspondingly reduced. I do not know how the Philippine government might respond to such a proposal.

CONCLUSION

My main objective has been to try to demonstrate that the task of reducing poverty and alleviating hunger in the Philippines is closely related to finding a solution to the problem of the large foreign debt.

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If the plight of the poor is allowed to deteriorate even further, which is a distinct possibility because of the outflow of capital generated by interest payments on the foreign debt, and the poor are not absorbed into the political system in a meaningful way and relatively quickly, the outcome almost certainly will be polarization and civil war. It is economic aid and not military aid which can prevent such an outcome.

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Table 1. Percentage Distribution of Households By Per Capita Income and By Energy Adequacy Level, Philippines, 1982.

Income Group (Percent of Sample)	Average Percent Adequacy	Adequacy Level			
		Total	Less than 80%	80- 109%	More than 110%
4.9 [low]	78.4	100.0	50.7	36.9	12.4
10.2	82.8	100.0	47.5	35.3	17.3
21.7	84.4	100.0	35.8	48.2	16.0
28.0	89.7	100.0	33.6	44.4	22.1
19.3	92.1	100.0	29.4	48.1	22.5
11.3	96.4	100.0	23.0	43.8	33.2
4.6 [high]	104.0	100.0	19.4	37.9	42.7

Source: Second Nationwide Nutrition Survey, Philippines, 1982.
Food and Nutrition Research Institute

Table 2. Percentage Distribution of 0-6 Year Old Children By Height-for-Age Vs. Weight-for-Height Classification, Philippines, 1982.

Percentage of Height-for-Age Standard	Percentage of Weight-for-Height Standard		Total
	≥ 85	< 85	
≥ 90	73.3	7.5	80.8
< 90	17.1	2.0	19.1
Total	90.4	9.5	100.0

Source: Second Nationwide Nutrition Survey, Philippines, 1982.
Food and Nutrition Research Institute

PREPARED STATEMENT OF BILL HEROD, DIRECTOR, INDOCHINA PROJECT

Mr. Chairman and Members of the Select Committee, I welcome this opportunity to share some observations on the serious food shortages in Vietnam today, and the potentially catastrophic situation which may be developing there.

The Indochina Project is an independent, non-profit research, public education and programming organization which seeks to stimulate dialogue about, and enhance public awareness of, contemporary issues affecting the peoples of Vietnam, Laos and Cambodia. A Project of the Fund for Peace, it is supported by a major grant from the Christopher Reynolds Foundation and by the contributions of other interested organizations and individuals. The Project grew out of the experience and concern of several Private Voluntary Organizations (PVO's) which have been involved in humanitarian programs in Indochina for many years. The Project continues to enjoy close coordination and information exchange with these and other PVO's.

The information and observations which follow are compiled from field reports and private conversations and correspondence

with several experienced representatives of PVO's and International Organizations who have visited Vietnam within the last three months. Their information is based on their personal observations as well as information provided by Vietnamese government sources, foreign residents of Vietnam, and the observations and reports of other recent visitors. Understandably, data thus compiled is incomplete and, in some cases, contradictory. Certain important conclusions are, however, inescapable.

While I wish to acknowledge with appreciation the kind assistance of the Mennonite Central Committee, the American Friends Service Committee, Oxfam / America, Church World Service and other PVO's in the preparation of this testimony, it should be noted that the conclusions drawn given are mine alone and do not necessarily reflect the position of any of these organizations or their staff members.

VIETNAM'S FOOD SITUATION

In Vietnam there is a saying:

Nhat Si, Nhi Nong
Het Gao, Chay Rong
Nhat Nong, Nhi Si

Translation:

First comes the scholar, then the farmer
But when there is no rice and there is chaos
Then the farmer is first, and the scholar is second.

Recent visitors - including aid workers experienced in Southeast Asia - report that famine conditions (by which I mean an acute and general scarcity of food) do not now appear to exist in Vietnam. At the same time, these observers report that the potential for famine - and chaos - in the very near future does indeed exist. Unless appropriate action is taken quickly, hundreds of thousands of persons in Vietnam could face the threat of starvation by the end of this year. Unpredictable factors such as floods or typhoons could dramatically increase the magnitude of this tragedy.

Press accounts suggest that the recently harvested crop in the southern delta is much better than last year's and may

provide some immediate relief. This may be slightly misleading because last year's crop yield was unusually low, and also because the crop being harvested now in provinces farther to the north is known to be heavily damaged by drought and insect infestation.

Vietnam has long faced a situation of widespread and chronic borderline malnutrition. This situation has become more critical as the level of agricultural production has not kept pace with the increase in population. The growth rate in Vietnam today is estimated to be in the range of 2% per year. This rate of growth is equivalent to adding a new province of more than one million persons to the population each year. Under these circumstances, even minor disruptions in agricultural production caused by weather conditions or other factors can have an immediate and profound impact on the health and nutritional level of the population.

During the past year, Vietnam has faced a particularly troubling combination of drought, typhoons and insect infestations. These conditions were exacerbated by the inability of farmers to secure adequate supplies of fertilizers and pesticides. While these problems have affected both the northern and southern deltas, they have been most pronounced in twelve northern provinces. A Vietnamese government request for emergency food aid of May 3, 1988, states that "as of the end of April, the total number of people [in these twelve provinces]

who are seriously short of food reached 7,748,856, of whom 3,093,405 people are at the edge of starvation (40% of whom are children below the age of 14). Even if we regard these figures as inflated, they do suggest the magnitude of the problem.

To be sure, the precise magnitude of the problem is unknown to any outside observer, and perhaps even to Vietnamese government authorities. As is often the case at a time of food shortages, it is certain that there is some hoarding of food by farmers and speculators. Estimates of the level of the shortages may not reflect these hoarded supplies which are not now available to either the central government or the free market.

The fact remains that substantial numbers of people do not now have access to adequate supplies of food, and this situation is likely to worsen as the crop currently being harvested is consumed. Those most seriously affected by this crisis are those with no access to productive land or cash for purchase at the free market rate. Many civil servants (teachers, health workers, government functionaries of all kinds) fall into this category.

The international community is beginning to respond to the present situation, and must consider responses to the coming situation, certain to become more serious later this year. In preparing such responses, donors would be greatly aided by an initial needs assessment survey jointly staffed by Vietnam and donor agency experts. In the present circumstance, the World

Food Program has resident staff in Vietnam who could serve this function. At a minimum, the survey team should include an agronomist to estimate yields, identify pests and other production problems; a person skilled in estimating the degree and extent of malnutrition; and an experienced relief worker familiar with estimating food requirements and logistics of handling and distribution of food.

Some survey has apparently already been conducted by International Organization representatives resident in Vietnam. I have not seen their report, nor do I know its scope or conclusions. It is possible that this report will provide the basis for an appropriate international response. If it does not, it is imperative that an adequate assessment be done as soon as possible.

In light of the apparent need for food assistance in Vietnam today, and the potentially disastrous implications of famine conditions which might logically be expected to develop there in the months to come, the American people may be expected - and should be encouraged - to respond. A coalition of PVO's has already met with a senior representative of the Vietnamese government to discuss procedures for implementation and monitoring of assistance programs, though limited resources will dictate a modest response from the private sector.

In my view, the United States government should continue to do exactly what I understand it has been doing: monitor the situation closely. I note in passing that the absence of diplomatic relations between the U.S. and Vietnam make it impossible to monitor events as closely as we might like, but most of our allies do have embassies in Hanoi, and the World Food Programme, UNICEF, UNDP and other International Organizations are present in Vietnam and are providing a continuing flow information and observations.

In this same context, I note that the U.S. almost certainly has information - or the ability to provide information - from satellite photography which could be very helpful in evaluating the effects of drought, floods or typhoons in Vietnam (perhaps less helpful in evaluating crop production levels). This information could be extremely valuable to the international community in the months ahead as the nature and scope of the food crisis in Vietnam are established.

In addition to monitoring the situation - and sharing any information which the U.S. may have with other potential donor countries - the U.S. government must consider an appropriate humanitarian response. Any assistance - even token assistance - at this point would be a useful gesture, and could contribute to reducing the probability of a more serious crisis from developing. Furthermore, assistance at this point - in full coordination with the World Food Programme and other donors -

could be supportive of pragmatic agricultural policies in Vietnam which could reduce the potential for this kind of crisis occurring in the future.

Finally, the U.S. government must be prepared to respond in the event that famine conditions do in fact materialize in Vietnam later this year. I am fully aware of the arguments against this view, and offer the following comments:

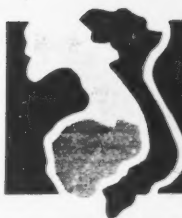
First, the U.S. should respond to such an urgent life-threatening situation because we are able and because we are decent. The history of our relations with Vietnam since the end of the war in 1975 is one of petty and punitive policies gauged to increase human suffering. This is not to justify the policies of the government of Vietnam, but simply to observe that our government's approach has been to isolate itself from the realities of Vietnam. We live in an inter-dependant community of nations, and we must attempt to be more responsible - and responsive - neighbors.

Secondly, the argument against humanitarian assistance to Vietnam is often based on Vietnamese domestic or international policies (e.g. human rights violations, the occupation of Cambodia, etc.) The problem with this argument is that the persons responsible for the policies which we oppose are not the persons most directly affected by our attempts to "punish" Vietnam.

In fact, The Geneva Convention would also seem to prohibit the denial of humanitarian assistance to the civilian population of Vietnam as a method of punishing the actions of its government: "No protected persons may be punished for an offense he or she has not personally committed. Collective penalties and likewise all measures of intimidation ...are prohibited." The Hague Convention of 1907 makes the same point: "No general penalty, pecuniary or otherwise, shall be inflicted upon the population on account of the acts of individuals for which they cannot be regarded as jointly and severally responsible."

Certainly we do not mean to suggest that the beggars on the streets of Hanoi, or the thousands of refugees who have fled Vietnam's northern provinces in boats bound for Hong Kong in recent weeks, or the Vietnamese mothers rumored to be selling their hungry children "to save them" are responsible for Vietnamese government policies.

Please, let's keep our options open, and be prepared to help if, when, and how help may be needed.



INDOCHINA PROJECT

June 8, 1988

VIETNAM'S FOOD SITUATION

It is not easy to collect information about the food shortage in Vietnam. There is considerable embarrassment among government officials of the Ministry of Agriculture and in the provinces at having to admit the failure of their agriculture policies and also among the government's economists and ideologues who are also responsible for the present disastrous situation which has been exacerbated by the ravages of storms and pests.

Provincial officials in Ha Bac were reluctant to say more than that they are short of rice now and will be short of rice even after the coming harvest in July, especially if there is a pest problem. Many years of presenting a rosy picture about the success of the government's policies makes it difficult for them to admit now that all is not well. A friend also said that the provincial officials have lied about their figures - inflating them under pressure from the central government to "do better and better" - and now they are really coming up short. Apparently Thanh Hoa, being the rice basket of the north, was asked to give extra rice to the central government for the ration program and now Thanh Hoa is facing the most serious shortage.

The Vice Chair of the Ha Bac People's Committee said that they lost 70 per cent of the Spring/Summer harvest in 1987 due to pests, floods, and lack of fertilizer, and that the coming harvest is not expected to be better. That means that the population will be fed for a few months only. She said that they were getting help from the state and from other provinces, but this will mean buying rice and transporting it and it is doubtful that there are funds for this. They are also encouraging the use of other staple crops. There was a lot of corn growing in the fields.

Rumor in Vietnam tells of influxes of beggars in Hanoi (an AFP story said the police rounded up beggars several times and sent them back to their villages), of people selling children "to save them," of present starvation in Thanh Hoa. The sources from whom we got these stories are reliable. We were not able to confirm them at first hand. The international community in Hanoi is generally in agreement that there is a very, very serious problem. There are no really reliable figures, but the presence of beggars, hoarding of rice, the price of rice (900 to 1,000 dong per kilo), the cut in the rice ration for cadre, and comments from the provinces seem to confirm this.

[These comments were provided by an experienced Western aid worker who visited Vietnam in late May.]

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